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COUNTY OF SAN LUIS OBISPO



HOUSING ELEMENT


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SAN LUIS OBISPO COUNTY

HOUSING ELEMENT

On May 6, 1986, the Board of Supervisors
unanimously adopted this document
as the Housing Element of the
General Plan of San Luis Obispo County

Resolution No. 86-184

May, 1986

COUNTY OF SAN LUIS OBISPO

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PREFACE - USE OF THE HOUSING ELEMENT

WHAT IS A HOUSING ELEMENT?

The Housing Element is one "chapter" of the San Luis Obispo County General Plan. It examines the problems of obtaining adequate housing in this county and explains how the county government intends to assist in solving such problems. In discussing housing problems and possible solutions, the Housing Element is intended to suggest alternate ways of handling persistent problems, as well as to reinforce existing successful methods.

Present housing problems have reached a point where local government can take a more active and effective role in working toward their solution, but it must be recognized that housing problems cannot be solved by government alone. Local government can initiate, encourage, coordinate, and assist in a wide range of efforts, involving all the people and interests concerned with housing. If such efforts are successful, housing problems will become less serious and less widespread.

HOW WILL DECISION-MAKERS USE THE HOUSING ELEMENT?

This report will provide guidance for county officials making decisions that affect housing. Such decisions may involve the process of reviewing new subdivision proposals, housing assistance programs, new sewer lines or other issues that affect the supply and availability of housing.

HOW WILL PLANNERS AND OTHER COUNTY STAFF USE THE HOUSING ELEMENT?

One important job of county staff is to advise decision makers. The general plan and its elements are used to help assure that such advice is consistent and comprehensive. It will also be used to guide staff in responding to public inquiries on county housing policies.

HOW WILL THE GENERAL PUBLIC USE THE HOUSING ELEMENT?

This report is intended to provide information for people interested in the process of satisfying housing needs. As a statement of what the county plans to do about housing, this Housing Element also provides a means for the public to evaluate the effectiveness of government in the specific policy areas it addresses. The public can expect the county to make a good-faith effort to support the policies set out in the document and to implement its programs.

Users of this document should first review the brief summary beginning on page ii-1. The table of contents will help in locating particular sections of interest. For those who want more information on the plan, the progress of specific programs, or the location of materials referred to in this document, the staff of the county Planning Department can be of assistance.

HOUSING ELEMENT SUMMARY

1. INTRODUCTION

The following summary is intended to provide a general overview of the project and its objectives. It is not intended to provide a detailed description of the project or its results. The project was conducted in accordance with the guidelines set forth in the project charter. The project was completed on time and within budget. The results of the project are discussed in the following sections.

HOUSING ELEMENT SUMMARY

2. PROJECT PURPOSE, SCOPE AND OBJECTIVES

The purpose of this project is to provide a summary of the project and its objectives.

The project was conducted in accordance with the guidelines set forth in the project charter. The project was completed on time and within budget. The results of the project are discussed in the following sections.

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A. INTRODUCTION

The following summary of the Housing Element is intended to help identify sections of interest for those not wishing to read the entire report; however, when complex issues are summarized they may appear misleadingly simple. If part of this summary covers a concern of particular interest, the corresponding section of the main report should be reviewed for more detail. Chapter 3 should be helpful for those interested in the population and housing characteristics of a particular community.

As changes in the county affect housing policy, the Housing Element will be amended through the public hearing process.

B. HOUSING PROBLEMS, ISSUES AND CONCERNS

Existing conditions and problems in the county housing market:

- . The price of housing in the county is rising faster than most household incomes. In 1979 San Luis Obispo County was the 12th highest of 358 national housing market areas in the cost of an average three-bedroom, one-bath home.
- . Despite high housing costs, the county is not a wealthy area: In 1983, one-half of county households had incomes less than \$23,700. According to the 1980 census, San Luis Obispo County ranked 39th of 58 California counties in median household income. In many households, both partners must work to cover housing costs, an option obviously unavailable to single persons.
- . High interest rates limit the number of families that can qualify for home loans. Many first-time buyers have been eliminated from the market.
- . Residents are competing for housing with new county arrivals, many of whom have large amounts of cash from previous home sales. Eighty-two percent of county growth between 1980 and mid-1983 has been due to new arrivals, many from areas with higher property values and incomes.
- . According to the 1980 census, 77 percent of families earning less than \$15,000 spend more than one-fourth of their gross monthly income for rent. Over two-thirds of the renters spend more than 30 percent for rent, reducing cash available for other necessities.

- . Increasing housing production costs are caused by inflation, government requirements and permit processing times.
- . Consumer and producer concepts of need dramatically influence housing cost. Since 1950, the median size of new homes has increased from 800 to 1,600 square feet. Amenities such as air conditioning, built-in appliances, wall-to-wall carpeting, two-car garages and multiple baths have become standard in many homes.
- . Increasing energy, maintenance and general home operating costs are reducing housing affordability. Many homes have been built without considering total energy use and future operating cost. Low and moderate income families have less money for maintenance and improvements.
- . Competition for rental units is high even though their percentage of the county's total housing stock has increased. Large numbers of college students and new county arrivals, high home ownership costs, and a decline in the population per household combine to increase competition and overall rent.
- . New rental construction has been inhibited by high development and financing costs and the belief that rental housing is a poor investment. Although this situation has recently improved, new rental construction has not caught up with demand.
- . In the past, persons employed in the city of San Luis Obispo could find affordable housing there. Inflation and competition for housing have forced people out of the city and increased commuting costs have reduced the lower cost advantage of living in outlying communities.
- . The county's low vacancy rate and the general state of the economy have contributed to increasing numbers of landlord/tenant disputes.
- . Housing discrimination against low-income persons, minorities, and families with children results from the tight housing market enabling landlords to be more selective in choosing tenants.
- . More people are living in substandard housing such as recreational vehicles and tents.

C. EXPLORING SOLUTIONS

The programs in Chapter 4 are actions that will carry out county housing policies. Because housing problems are numerous and complicated, no single action or agency can solve them all. The

Housing Element proposes a number of programs to address housing needs, with the understanding that each program will help with only a portion of the overall need. It is also recognized that some solutions can produce other unwanted "side-effects" and may even aggravate housing problems. Apparently quick and easy solutions should therefore be carefully evaluated.

The programs of the Housing Element are far from being the only solutions to housing problems. Other solutions should continue to be explored, and any new programs must be chosen on the basis of their consistency with established county policy and the following criteria:

1. The potential of a program to reach those who need it and are current residents of the county.
2. The amount of funding needed to begin and continue the program.
3. The ability of the program to operate without adversely affecting other aspects of the housing market.
4. The extent to which the program avoids long-term negative impacts.

Programs now being proposed are organized under the objectives of the Housing Element, each oriented toward one of the following categories:

- . Availability of housing for all.
- . Home ownership opportunities.
- . Ensuring an adequate supply of rental housing.
- . Maintaining existing housing.
- . Housing near employment and services.

D. HOUSING OBJECTIVES, POLICIES AND PROGRAMS

The objectives outlined in this section cover five broad housing issues. Each objective is followed by a series of policies that address related housing problems, and specific programs to be undertaken by identified agencies as solutions to the problems (potential funding sources and agencies responsible for each program are contained in Appendix A of this document).

Recognizing that governmental involvement in the process of providing adequate and affordable housing has historically been less than completely successful (and too often counterproductive) the Housing Element is designed to seek, encourage, assist and otherwise support in a positive way the accomplishment of its objectives through the private sector as much as possible.

OBJECTIVE A: The county will work diligently toward the provision of an adequate housing supply for all residents and that such supply be unrestricted as to age, race, sex, marital status, ethnic background, other arbitrary factors, unnecessary government controls, requirements or restrictions, or economic constraints.

HOUSING SUPPLY POLICIES

1. Fair Share Allocations. Through the San Luis Obispo Area Coordinating Council, the county will work with each community toward equitable regional distribution of housing for all income groups.
2. Land Use Controls. Land use controls should not to be used to seriously delay, prevent or otherwise adversely affect the supply or cost of housing for all income levels, except where legal or resource limitations occur in each community.
3. Assisted Housing - Disadvantaged Groups. Assisted housing should include special provisions for the elderly, handicapped and disabled in communities where such groups are unable to meet their housing needs.
4. General Plan Amendments - Effect on Housing. Consideration of all general plan amendments will include careful evaluation of their potential impacts on an adequate supply of housing for all income groups.
5. Development Requirements - Reevaluation. Existing and proposed county development requirements, ordinances and processing times should be evaluated to determine their effects on housing production costs, and should be modified or eliminated when such requirements are determined to substantially increase cost and their modification or elimination would not seriously jeopardize public health, safety or welfare.
6. Assistance Requests. Available federal, state and local sources of funding that could assist in providing and preserving housing for low- and moderate-income households should be pursued.
7. Alternative Forms of Housing. The county should encourage exploration of alternatives to traditional forms of housing and methods of supplying housing, especially by the private sector.

8. Development Review - Ongoing Costs. Energy saving construction, transportation costs, maintenance and other factors contributing to total monthly housing costs should be reviewed in all housing projects.
9. Assisted Housing - Resale Control. Any housing made available at artificially low prices through direct government assistance will be restricted in resale to eliminate excessive price increases above improvement costs and inflation.
10. Home Improvement Encouragement. The county should encourage upward mobility through individual home owner efforts to increase property value through home improvements.
11. Equal Opportunity. The county will support efforts to eliminate discrimination in housing with regard to race, color, religion, national origin, sex, age, or family status.
12. Resolving Conflicts - Landlords and Tenants. The county will support resolution of problems and conflicts between landlords and tenants.
13. Developer Assistance. To facilitate development of new low- and moderate-income housing, the county will offer technical, permit processing and grant application assistance to developers or sponsors who wish to provide such housing.

HOUSING SUPPLY PROGRAMS

- A1: THE COUNTY WILL ENCOURAGE DESIGNERS AND BUILDERS TO USE 30-INCH OR WIDER DOORWAYS IN ALL HOUSING.
- A2: THE COUNTY WILL DESIGNATE ITS HOUSING AUTHORITY OR OTHER APPROPRIATE LOCAL AGENCY OR GROUP TO HANDLE DISCRIMINATION COMPLAINTS AND RESOLUTION OF PROBLEMS AND CONFLICTS BETWEEN LANDLORDS AND TENANTS.
- A3: THE COUNTY WILL DESIGNATE ITS HOUSING AUTHORITY OR OTHER APPROPRIATE AGENCY TO ORGANIZE PUBLIC EDUCATION ON HOUSING.
- A4: THE COUNTY WILL ESTABLISH A PROGRAM TO INFORM GOVERNMENT EMPLOYEES, LENDING INSTITUTIONS, CONTRACTORS AND OTHERS WHO INFLUENCE HOUSING CONSTRUCTION OF THE VALUE OF INNOVATION IN HOUSING CONSTRUCTION TECHNIQUES.

- A5: THE COUNTY WILL URGE STATE AND FEDERAL GOVERNMENT TO CONTINUE TAX INCENTIVE PROGRAMS TO ENCOURAGE MORE ENERGY-EFFICIENT HOUSING.
- A6: THE COUNTY WILL DEVELOP AN ENERGY POLICY PLAN TO ADDRESS LOCAL ENERGY ISSUES.
- A7: THE COUNTY PLANNING AND ENGINEERING DEPARTMENTS WILL CONTINUALLY MONITOR ADOPTED AND PROPOSED DEVELOPMENT REQUIREMENTS AND PROCESSING PROCEDURES TO DETERMINE THEIR EFFECT ON HOUSING PRODUCTION COSTS AND WILL RECOMMEND MODIFICATION OR ELIMINATION OF THOSE THAT MAY ADD TO HOUSING COST WITHOUT PROVIDING SUBSTANTIAL PUBLIC BENEFIT.
- A8: THE COUNTY WILL URGE THE STATE AND FEDERAL GOVERNMENT TO AVOID ENACTING LAWS AND REGULATIONS THAT RESULT IN INCREASED HOUSING COSTS.
- A9: THE COUNTY HAS CHANGED ITS ORDINANCES TO ALLOW INDIVIDUAL MOBILEHOMES, MOBILEHOME PARKS AND SUBDIVISIONS ON SMALLER PARCELS WITHIN URBAN RESERVE AREAS, AND ALSO TO ALLOW INDIVIDUAL MOBILEHOMES IN RURAL AREAS ON PARCELS OF LESS THAN 10 ACRES.
- A10: THE COUNTY HAS ESTABLISHED A PERMIT PROCESSING ADVISORY COMMITTEE THAT WILL CONTINUE TO REVIEW THE PRINCIPAL CAUSES OF INCREASED HOUSING COSTS (ESPECIALLY THOSE WHERE LOCAL ACTION CAN BE EFFECTIVE) AND DEVELOP AND RECOMMEND TO THE BOARD OF SUPERVISORS CHANGES IN REGULATIONS AND RESTRICTIONS, INCENTIVES TO PRIVATE DEVELOPMENT AND OTHER SOLUTIONS.
- A11: THE COUNTY HAS ESTABLISHED AN ADVISORY HOUSING TASK FORCE TO STUDY HOUSING PROBLEMS IN THE COUNTY AND RECOMMEND TO THE BOARD OF SUPERVISORS POTENTIAL SOLUTIONS TO THE PROBLEMS IDENTIFIED.

OBJECTIVE B: Take all practical, reasonable, affordable and appropriate steps to develop home ownership opportunities for all county residents.

Ownership Opportunity Policies

County housing policies that address opportunities for home ownership are included under objective A.

Ownership Opportunity Programs

- B1: THE COUNTY MAY ASSIST LIMITED EQUITY COOPERATIVE HOUSING BY ENCOURAGING LENDERS AND AGENCIES THAT MAY HELP ESTABLISH COOPERATIVES.

- B2: THE COUNTY WILL GRANT A DENSITY BONUS OR OTHER APPROPRIATE INCENTIVES AS SPECIFIED IN GOVERNMENT CODE 65915, AND IMPLEMENTED BY SECTION 22.04.090 OF THE COUNTY CODE, TO DEVELOPERS WHO CONSTRUCT UNITS FOR HOUSEHOLDS OF LOW OR MODERATE INCOME.
- B3: WHERE APPROPRIATE, THE COUNTY WILL SUPPORT THE OBJECTIVES OF ORGANIZATIONS THAT PROVIDE LOWER-COST OWNERSHIP HOUSING. SUCH SUPPORT MAY INCLUDE OBTAINING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR LAND ACQUISITION OR HOUSING IMPROVEMENT PROJECTS.
- B4: THE COUNTY WILL CONTINUE TO ENCOURAGE OWNER-BUILT HOUSING BY PROVIDING STANDARD BUILDING DETAIL DRAWINGS AND OTHER AIDS AS WELL AS PROVIDE A SUFFICIENT NUMBER OF BUILDING INSPECTORS SO THAT APPROPRIATE AND REASONABLE EXTRA TIME MAY BE SPENT WITH THE OWNER-BUILDER AT THE HOUSING SITE.
- B5: THE COUNTY WILL CONSIDER PARTICIPATION IN A LOCAL REVENUE BOND ISSUE TO ESTABLISH A LOW INTEREST MORTGAGE LOAN FUND FOR FIRST-TIME HOME BUYERS.

OBJECTIVE C: Take all practical, reasonable, affordable and appropriate steps to encourage an adequate supply of sound rental housing in all price ranges.

Rental Supply Policy

The county recognizes the need for rental housing and will support programs to work toward an equitable balance of rental and owner-occupied housing.

Rental Supply Programs

- C1: SAN LUIS OBISPO COUNTY WILL WORK WITH EXISTING HOUSING AUTHORITIES TO OFFER A WIDER RANGE OF ASSISTANCE TO DEVELOPERS, OWNERS AND CLIENTS OF LOWER-INCOME RENTAL HOUSING.
- C2: TO ENCOURAGE CONSTRUCTION OF NEW RENTAL UNITS, THE COUNTY WILL WORK TOWARD REDUCING GOVERNMENTAL DETERRENTS TO MULTI-FAMILY PROJECTS.
- C3: THE COUNTY WILL ENCOURAGE CAL POLY TO PROVIDE ADDITIONAL CAMPUS HOUSING OPPORTUNITIES FOR SINGLE AND MARRIED STUDENTS.

C4: THE COUNTY WILL MONITOR THE EFFECTS OF THE SECONDARY DWELLING PROVISIONS ESTABLISHED IN SECTION 22.08.036 OF THE COUNTY CODE IN 1984. THE COUNTY WILL DEVELOP A PUBLIC INFORMATION HANDOUT TO PUBLICIZE THE OPPORTUNITY TO ESTABLISH SECONDARY DWELLINGS.

OBJECTIVE D: To encourage and promote, to the degree feasible and practical, the preservation and rehabilitation of the existing housing supply.

Policy for Maintaining Existing Housing

Incentives and assistance should be provided by the appropriate agency or private group to support upgrading rental units and homes to building code standards.

Programs for Maintaining Existing Housing

(Program A3 addresses the issue of consumer education in housing maintenance and rehabilitation.)

- D1: THE COUNTY WILL DISCOURAGE CONVERSION OF RESIDENTIAL AREAS TO NON-RESIDENTIAL USES.
- D2: THE COUNTY WILL ENCOURAGE THE HOUSING AUTHORITY, OTHER LOCAL AGENCIES AND NONPROFIT GROUPS TO APPLY FOR HOUSING MAINTENANCE AND REHABILITATION GRANTS.
- D3: THE COUNTY WILL SUPPORT ESTABLISHMENT OF A HOUSING ADVISORY AND INFORMATION SERVICE IN CONJUNCTION WITH ONE OF THE PUBLIC SERVICE OR NONPROFIT GROUPS IN THE COUNTY.
- D4: WHEREVER POSSIBLE THE COUNTY WILL AVOID CAPITAL IMPROVEMENT PROJECTS THAT ELIMINATE DWELLINGS AND REQUIRE RELOCATION OF RESIDENTS.
- D5: IN COUNTY PROJECTS THAT MAKE RESIDENTIAL DISPLACEMENT UNAVOIDABLE, THE COUNTY WILL OFFER RELOCATION SERVICES BEFORE DISPLACING RESIDENTS.
- D6: IN CASES WHERE RESIDENTIAL RELOCATION IS CAUSED BY BUILDING CODE ENFORCEMENT, THE COUNTY WILL OFFER RELOCATION COUNSELING THROUGH THE HOUSING AUTHORITY OR OTHER RESPONSIBLE AGENCY.
- D7: WHERE COMPLAINTS ARE RECEIVED ON THE CONDITION OF RENTALS, THE COUNTY WILL INSPECT THE UNITS AND, IF SIGNIFICANT OR PERSISTENT VIOLATIONS EXIST, WILL BEGIN TAX ABATEMENT PROCEDURES IN A TIMELY MANNER PURSUANT TO STATE REVENUE AND TAX CODE SECTIONS 17299 AND 24436.5.

OBJECTIVE E: To promote optimum use of residential land near employment, shopping, transportation, social services and other public services.

Housing Location Policies

1. Development should be encouraged in new and existing subdivisions within the urban and village areas designated in the Land Use Element and contiguous extensions of these areas rather than scattered rural residential development. This is not intended to discourage development of existing lots in rural areas as homesites.
2. Capital improvement program priorities should be reviewed in relationship to adequate services for new housing.
3. General plan amendments and land use regulations should provide for greater residential densities near employment and public service areas.
4. Current community resources should be inventoried and the county should strive to ensure that adequate water, wastewater treatment and other services exist or are specifically scheduled to meet housing needs.
5. Major generators of housing need (such as Cal Poly and large employers) must accept responsibility for the needs they create and actively participate in providing housing. In turn, each community near such housing need generators must allow for additional housing.

Housing Location Programs

- E1: THE ESTABLISHMENT OF HOUSING UNITS ABOVE THE FIRST FLOOR OF OFFICE AND COMMERCIAL BUILDINGS WILL BE ENCOURAGED IN LOWER INTENSITY COMMERCIAL AND OFFICE AREAS WITHIN THE UNINCORPORATED COMMUNITIES WHERE RESIDENTIAL AND COMMERCIAL USES ON A SITE CAN BE DESIGNED TO BE COMPATIBLE WITH EACH OTHER. THIS WILL BE ENCOURAGED THROUGH PUBLIC INFORMATION PROGRAMS AND CONTINUING REFINEMENT OF LAND USE REGULATIONS.
- E2: THE COUNTY WILL USE LAND USE PLANNING, LIMITED DENSITY TRANSFER AND PLANNED DEVELOPMENT INCENTIVES TO ENCOURAGE IN-FILL AND INCREASED RESIDENTIAL DENSITIES IN EXISTING URBAN AREAS AND WILL AVOID CREATING ADDITIONAL SUBURBAN AND RURAL RESIDENTIAL AREAS OUTSIDE OF URBAN AND VILLAGE RESERVE LINES WHERE PUBLIC FACILITIES AND SERVICES CANNOT BE EFFICIENTLY AND ECONOMICALLY PROVIDED.
- E3: IF THE AVAILABLE SUPPLY OF VACANT SINGLE-FAMILY OR MULTIPLE-FAMILY LAND FALLS BELOW 20 PERCENT OF THE COMMUNITY'S TOTAL SUPPLY OF EITHER LAND USE CATEGORY,

THE COUNTY WILL CONSIDER AMENDING THE LAND USE ELEMENT TO DESIGNATE ADDITIONAL LAND FOR SUCH USE.

- E4: THE COUNTY RESOURCE MANAGEMENT SYSTEM WILL ENABLE NOTIFYING THE BOARD OF SUPERVISORS AS COMMUNITIES APPROACH LIMITS OF VARIOUS RESOURCES. ANY ACTION THE BOARD TAKES BASED ON THIS INFORMATION WILL INCLUDE CONSIDERATION OF IMPACTS ON HOUSING AVAILABILITY AND COST.
- E5: THE COUNTY WILL REVIEW SURPLUS PUBLIC LANDS AT THE TIME OF SURPLUSING AND OTHER SOURCES OF LAND FOR THE FEASIBILITY OF PROVIDING AFFORDABLE HOUSING.
- E6: THE COUNTY MAY REQUIRE PREPARATION OF A SPECIFIC PLAN OR OTHER DETAILED NEIGHBORHOOD PLAN TO SHOW FUTURE STREET, LOT AND DRAINAGE SYSTEM LAYOUTS PRIOR TO APPROVAL OF A PROPOSED SUBDIVISION IN THE RESIDENTIAL SINGLE-FAMILY LAND USE CATEGORY THAT WOULD RESULT IN LARGE LOTS INTENDED FOR FURTHER DIVISION WHEN REQUIRED COMMUNITY SERVICES BECOME AVAILABLE.
- E7: THE COUNTY WILL OVERSEE PREPARATION OF NEIGHBORHOOD PLANS FOR MAJOR UNINCORPORATED SINGLE-FAMILY AND MULTIPLE-FAMILY RESIDENTIAL AREAS WITHIN URBAN AND VILLAGE RESERVE LINES TO INSURE THAT INTERIM LOW-DENSITY LAND DIVISIONS WILL NOT PREVENT LATER DEVELOPMENT AT THE FULL DENSITIES PLANNED IN THE LAND USE ELEMENT.

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CHAPTER 1
ORGANIZATION AND EFFECT
OF THE HOUSING ELEMENT

CHAPTER 1

A. INTRODUCTION

The California State Legislature has adopted early attainment of the national housing goal of a decent home in a suitable living environment for all citizens as a high-priority goal. Recognizing the significant role of local government in this goal, and to assure that local planning effectively implements statewide housing policy, the legislature has mandated that all cities and counties adopt a Housing Element as part of their general plan.

Housing elements were first required in 1967, through amendments to Section 65302(c) of the Government Code, which specifies the mandatory content of the general plan. The most recent revisions to that law occurred in 1980 under Assembly Bill 2853, which was codified as Sections 65580 through 65589 of the Government Code. Under Sections 65580 et seq., a housing element must consist of standards and plans for the improvement of housing and for provision of adequate sites for housing. The element must address the housing needs of all economic segments of the community.

B. ORGANIZATION OF THE HOUSING ELEMENT

Government Code Sections 65580 et seq., regarding housing element content can be divided into three broad areas:

- the identification and analysis of existing and projected housing needs and an inventory of resources and constraints relevant to the meeting of those needs;
- a statement of goals, policies, and quantified objectives; and,
- a discussion of scheduled programs for the preservation, improvement and development of housing.

As a result, the county's Housing Element satisfies the requirements through the following chapters:

Chapter 2 identifies and analyzes housing problems, issues and concerns, as well as the constraints inhibiting their solution.

Chapter 3 summarizes unincorporated county demographic and socio-economic information, as well as discusses the county's housing supply, resources, and needs.

Chapter 4 addresses all aspects of the problem-solving strategy and includes housing objectives, policies and programs.

Appendix A summarizes proposed housing programs, as well as programs currently serving unincorporated county residents. In addition, it identifies existing and proposed funding sources, agencies and groups capable of implementing the programs, and the estimated annual number of households expected to benefit from each program between 1985 and 1990.

C. RELATIONSHIP OF THE HOUSING ELEMENT TO OTHER GENERAL PLAN ELEMENTS

The Housing Element is closely related to the other parts of the general plan. Some elements provide input to the Housing Element, while others help carry out the goals and policies of the Housing Element. The safety, seismic safety, noise, open space and conservation elements of the general plan concern environmental or man-made factors that may limit the location or type of housing that can be developed. The first three identify hazards to be avoided or mitigated when locating or constructing new housing. The latter two elements (open space and conservation) highlight resources that should be protected from development. All such factors will ultimately affect the type, location and cost of housing; and therefore, also could affect a community's ability to meet the goals of its housing element.

The Housing Element is most affected by the development policies of the Land Use Element, which establish location, type, intensity, and distribution of land uses throughout the county. The Land Use Element places an upper limit on the number and type of housing units that can be constructed in designating the total acreage and density of residential development. Acreage set aside for commercial and industrial uses creates employment opportunities, which in turn have the potential for creating a higher demand for housing in the county.

The Circulation Element establishes the location and scale of proposed thoroughfares, streets and transportation routes which support and provide access to the proposed land use designations.

D. REGIONAL RELATIONSHIPS

Housing is a regional issue. Because housing market forces do not follow political boundaries, policies adopted in one jurisdiction will impact others. Therefore, it is essential that the cities, county, branches of government that create housing need (Cal Poly, Men's Colony, etc.), local housing authorities, non-profit organizations, private developers, and interested citizens engage in a coordinated and cooperative effort to plan for and implement a

countywide housing program, responsive to anticipated population and employment growth, identified needs, and fair-share responsibilities.

E. HOUSING ELEMENT REVIEW AND REVISION

To be sure that the programs, policies and priorities of the Housing Element are effective in reducing housing problems, program operation must be regularly monitored and reviewed against the recommendations of this report as well as the other elements of the general plan. The Housing Element will be revised every five years in accordance with Section 65588(b) of the Government Code, which requires that housing elements be revised as appropriate, but not less than every five years, to reflect the results of this periodic review. The first such revision must be accomplished by January 1, 1986.

Because of the dynamic character of growth and change in the county, changes in the economy and uncertainty about the availability of state, federal, and local funding, the county will reevaluate its housing program each year. In addition to assessing its effectiveness, periodic revisions should incorporate new census data, describe programs the county has undertaken since the last update or intends to implement in the future, and identify any plans which have been discontinued and the reasons for such action.

The goals, objectives, and policies set forth in the Housing Element, which was adopted by the Board of Supervisors in 1982, have been reviewed to determine whether they contribute to the attainment of the state housing goal and the county's housing goals and objectives, and to assess the county's progress in implementing the Housing Element. This review has been an ongoing effort since adoption of the element, and has resulted in a number of refinements in county policies, which have been incorporated into this amended Housing Element.

The most notable changes to the Housing Element include the following:

- . Objective "A9" now indicates that the County Code has already been changed to allow individual mobilehomes and mobilehome parks on smaller parcels in urban areas and individual mobilehomes in rural areas on parcels less than 10 acres.
- . Objective "All" now indicates that an Advisory Housing Task Force has been established to study housing problems in the county and recommend solutions to the problems identified; this advisory committee will continue to function until it concludes its work sometime in 1986.

- . Objective "C4" now indicates that the Secondary Dwelling Ordinance has been adopted, will be monitored, and a public information handout will be prepared.
- . Problem number "43" has been added, discussing the plight of homeless persons.
- . "Community Profiles" for Oceano and San Miguel now reflect the housing rehabilitation programs funded through the State Community Development Block Grant Program.
- . Outdated statistical information has been updated.

The effectiveness of the Housing Element in attaining the county's housing goals and objectives, as well as the progress toward implementation of the Housing Element, has been enhanced by a relative decline in mortgage interest rates since 1982, as evidenced by the rapid growth in housing construction depicted by the following table.

SAN LUIS OBISPO COUNTY ESTIMATED HOUSING NEEDS*
VS.
NEW HOUSING CONSTRUCTION

<u>Period</u>	<u>Estimated Need</u>	<u>Construction</u>	<u>Percent of Need Satisfied</u>
4/1/80 - 12/31/81	2,075	707	34
1/1/82 - 12/31/82	1,245	329	26
1/1/83 - 12/31/83	1,245	473	38
1/1/84 - 12/31/84	1,245	902	72
1/1/85 - 12/31/85	1,245	1,119	90

- * Estimated housing needs based on Fair Share Housing Allocation Plan prepared by State Department of Housing and Community Development.

Section 65588 of the California Government Code also requires the following information about housing in the coastal zone:

- . Approximately 1,078 housing units were approved for construction within the coastal zone after January 1, 1982.
- . 44 housing units, accounting for four percent of the above 1,078 housing units, for persons and families of low- or moderate-income were required to be provided in new housing developments either within the coastal zone or within three miles of the coastal zone pursuant to Section 65590.

- . Ten housing units in the coastal zone were authorized for demolition since January 1, 1982; how many of these ten units were occupied by low- or moderate-income persons or families is unknown.
- . No housing units were required to replace demolished units.

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CHAPTER 2

HOUSING PROBLEMS, ISSUES AND CONCERNS

CHAPTER 2

A. INTRODUCTION

Housing problems have been common throughout history, and have been combatted with a wide variety of remedies. Though housing problems have changed over time (and differ both among communities and within communities), their severity can be defined only by persons experiencing them. Housing problems cannot be solved solely by government or be identified solely through a report or body of statistical data.

Housing is a product and a process; physical, social, emotional and economic in nature. As basic shelter, housing is a necessity; but it represents much more than physical structures. Housing has become an emotionally-charged subject, a symbol of status, achievement and social acceptance. Housing can affect the way individuals see themselves and are seen by others.

Housing has become an investment as well as a place to live. Housing investors range from a family buying its first home to non-resident investors who own rental units. Ours has been called a "post-shelter society" because the value of housing as shelter is, for some people, being replaced in priority by investment and tax shelter values.

More important than investment, however, is the fact that home ownership provides a degree of control over one's personal living environment seldom achieved in a rental situation. Homeowners do not have to worry about arbitrary eviction or rent increases. They are also free to modify the building to meet their changing needs.

Home ownership generally fosters a feeling of association with the community, its fortunes, welfare and future. Also, it develops a feeling of solidity as contrasted to the transient and temporary.

Not all individuals choose (or are able) to own housing. Their housing needs are generally satisfied by the rental market. Almost all rental housing is produced by the private sector based on its investment potential.

Housing is a universal need. The existing housing stock plus new housing production provide the potential resources for meeting that need. Unmet need is expressed as problems, issues and concerns, which reflect the gap between what people need and what the housing stock and market provide.

Two methods are used in this chapter to determine when a housing related concern or problem constitutes a need. The first method uses standards or criteria that measure particular housing qualities and conditions. An example is the common standard used

by the U.S. Department of Housing and Urban Development, lending institutions and many other agencies and organizations. According to that standard, housing costs are excessive and a problem when a household spends more than 30 percent of its gross income for housing. (This standard is usually not applied to higher income households since it is assumed they are doing so voluntarily.)

The other general method of determining whether a particular condition or problem constitutes a need is to ask occupants, interested groups or agencies that deal with a particular problem or serve a special group of citizens. This method was used in preparing this Housing Element by holding citizen participation meetings, by working with the Citizen's Advisory Committee on Housing and the Housing Task Force, and by discussing housing conditions and problems with various county government departments and a number of public and private sector providers of housing and related services.

This report also discusses problems, issues and concerns identified by the county Grand Jury Committee on Health, Education and Welfare in addition to citizen and elected officials' comments at a variety of Planning Commission, Board of Supervisors and Council of Governments hearings.

A variety of housing problems have been identified in the county, though some will disagree about the existence or severity of problems identified by others. Some problems and their severity are obvious while others are not. Some may now be relatively insignificant but may become more serious if left unchecked. Some problems affect a small percentage of the population, while others affect all to varying degrees. Regardless of the number of people experiencing a particular problem, it must be realized that the problem is important to them.

This chapter discusses individual housing problems, issues and concerns identified in San Luis Obispo County. Problems have been grouped into four general categories for discussion: home ownership and rental; housing preservation and rehabilitation; housing discrimination; and housing near employment, transportation and services. The following index illustrates how problems have been grouped as well as where discussions are located within the text.

B. PROBLEM INDEX

HOME OWNERSHIP AND RENTAL

1. Home ownership costs and family income
2. Financing, development and land costs
3. Government requirements and review time
4. Producer and consumer concepts of need
5. Housing as an investment
6. Second homes

7. New county arrivals
8. Young families
9. Decreasing household size
10. Need for self-help housing programs
11. Availability of public facilities and services necessary for new development
12. Need for coordination among providers of housing services
13. Attitudes toward housing grants and programs
14. Least-cost, "no frills" housing
15. Effects of energy inefficiency and increasing utility costs
16. High rent
17. Supply of new rental units
18. Rent increases as rental units are sold
19. Availability of efficiency and one bedroom units
20. Conversion of apartment units and mobilehome parks to condominiums or cooperatives
21. Need for county housing authority
22. Impact of Cal Poly students on housing stock
23. Increasing cost of mobilehome space rent
24. Competition for rental units
25. Low vacancy rate
26. Disputes between landlords and tenants
27. Landlord/tenant relations
28. Overcrowding
29. Homelessness

HOUSING PRESERVATION AND REHABILITATION

30. Need for housing rehabilitation and preservation programs
31. Substandard housing
32. Loss of existing housing units
33. Persons displaced by public action

HOUSING DISCRIMINATION

33. Discrimination in the sale and rental of housing based on sex, race, religion, and other arbitrary factors
34. Perceptions of low and moderate income

HOUSING NEAR EMPLOYMENT, TRANSPORTATION AND SERVICES

35. Housing near employment and services
36. Need for compatible "mixed-use" development
37. Ethnic and racial minorities
38. Farmworkers
39. The elderly
40. Handicapped persons
41. Single parents and families with children
42. Need for efficient land use patterns and staged growth

C. PROBLEM DISCUSSIONS

1. Home ownership costs and family income

It is becoming increasingly difficult for residents of San Luis Obispo County (especially those with low and moderate incomes) to become homeowners. Because the costs of owning a home throughout California are increasing faster than average incomes, most home purchases have become limited to higher income households and those with substantial equity from a previous home sale. First-time buyers have been all but eliminated from the market.

Rapidly increasing housing costs in this county result from several complex and interrelated factors, including increases in the costs of land, labor, materials, construction and mortgage financing; government requirements and review time; housing seen as an attractive investment; consumer and producer concepts of need; and increased competition from new county residents. These components are discussed individually in the following sections.

Housing prices in San Luis Obispo County increased between 15 and 20 percent during 1979, while personal income increased approximately 10 percent. The 1980 census identified San Luis Obispo as being 39th of the 58 California counties, on the basis of median household income. The California Department of Housing and Community Development estimated that the county's median family income was \$24,000 as of July 1984. Along with Imperial County, San Luis Obispo has ranked lowest in median income of the 11 counties and standard metropolitan statistical areas in Southern California.

SAN LUIS OBISPO COUNTY
OWNER HOUSING COST AS A PERCENTAGE OF HOUSEHOLD INCOME

Household Income	25% or more of Income	30% or more of Income	50% or more of Income	Number of Households
Less than \$5,000	55%	50%	37%	2,015
5,000- 9,999	36%	29%	11%	3,294
10,000-14,999	34%	26%	11%	3,706
15,000-19,999	36%	28%	4%	3,399
20,000-29,999	29%	17%	1%	6,476
30,000-39,999	18%	7%	-	3,160
40,000 plus	13%	7%	-	2,564

Source: 1980 Census (STF4)

According to a 1979 nationwide housing cost study prepared by the U.S. Department of Housing and Urban Development, the San Luis Obispo housing market area (encompassing the cities of San Luis Obispo, Santa Maria and Paso Robles) ranked 12th highest of 358 national market areas in the average cost of a low-range home; sixth highest in the cost of a medium-range home; and fifth highest in the cost of a high-range home. (The study, contained in the August 21, 1979 Federal Register, defines low range as a typical three-bedroom, one-bath home. Medium range dwellings contain three or four bedrooms and two full baths. High range homes contain three to five bedrooms and two or three full baths.) Study results comparing the average cost of low, medium and high range homes in the 12 most expensive market areas are presented on the following table.

NATIONAL HOUSING MARKET AREA
COMPARATIVE HOME PRICES - 1979

<u>Market Area</u>	<u>Low¹ Range</u>		<u>Medium² Range</u>		<u>High³ Range</u>	
	<u>Ranking</u>	<u>Avg Price</u>	<u>Ranking</u>	<u>Avg. Price</u>	<u>Ranking</u>	<u>Avg. Price</u>
Anchorage	1	\$101,800	3	\$109,400	12	\$116,400
Fairbanks	2	98,800	4	105,600		N/A
Juneau	3	96,300	5	102,900		N/A
San Rafael	4	82,900	7	101,700	8	127,400
San Francisco	5	74,400	13	91,700		N/A
Honolulu	6	65,000	2	120,000	2	180,000
Maui	6	65,000	9	100,000	3	150,000
Washington D.C.	7	64,500		N/A		N/A
San Jose	8	64,100		N/A		N/A
Salinas	9	62,100		N/A		N/A
San Diego	10	61,200		N/A		N/A
Cleveland	11	60,300		N/A		N/A
Kauai	12	60,000	11	60,000	7	130,000
Los Angeles/ Ventura/Oxnard	12	60,000	8	100,500	4	147,200
San Luis Obispo	12	60,000	6	102,300	5	134,100
Santa Barbara		N/A	1	150,100	1	200,900
Big Bear		N/A	10	99,000		N/A
Santa Ana		N/A	12	94,500	6	133,000
Bakersfield		N/A		N/A	9	126,000
Hawaii		N/A		N/A	10	124,000
Modesto		N/A		N/A	11	117,500

Notes:

1. 3 bedroom, 1 bath home (900-1280 square feet)
2. 3-4 bedroom, 2 bath home (1400-2070 square feet)
3. 3-5 bedroom, 2-3 bath home (1480-1770 square feet)

Source: Federal Register August 21, 1979

Data supplied by the county assessor indicate approximately 72 percent of the homes sold in San Luis Obispo County in 1983 cost more than \$75,000.

Though the total price of a home is important, the primary determinant of affordability is the monthly payment, influenced heavily by the mortgage interest rate. An increase of one or two percent can often mean the difference between affording or not affording a home. The following table illustrates the range of typical monthly payments required to purchase homes priced between \$50,000 and \$100,000, based on 30-year adjustable and fixed rate mortgages.

MONTHLY HOUSE PAYMENTS - 1984

<u>Purchase Price</u>	<u>Monthly Payment @ 12% Interest *</u>	<u>Required Annual Income **</u>	<u>Monthly Payment @ 14% Interest *</u>	<u>Required Annual Income **</u>
\$50,000.00	\$411.60	\$16,464	\$474.00	\$18,960
55,000.00	452.76	18,110	521.40	20,856
60,000.00	493.92	19,757	568.80	22,752
65,000.00	535.08	21,403	616.20	24,648
70,000.00	576.24	23,050	663.60	26,544
75,000.00	617.40	24,696	711.00	28,440
80,000.00	658.56	26,342	758.40	30,336
85,000.00	699.72	27,989	805.80	32,232
90,000.00	740.88	29,635	853.20	34,128
95,000.00	782.04	31,282	900.60	36,024
100,000.00	823.20	32,928	948.00	37,920

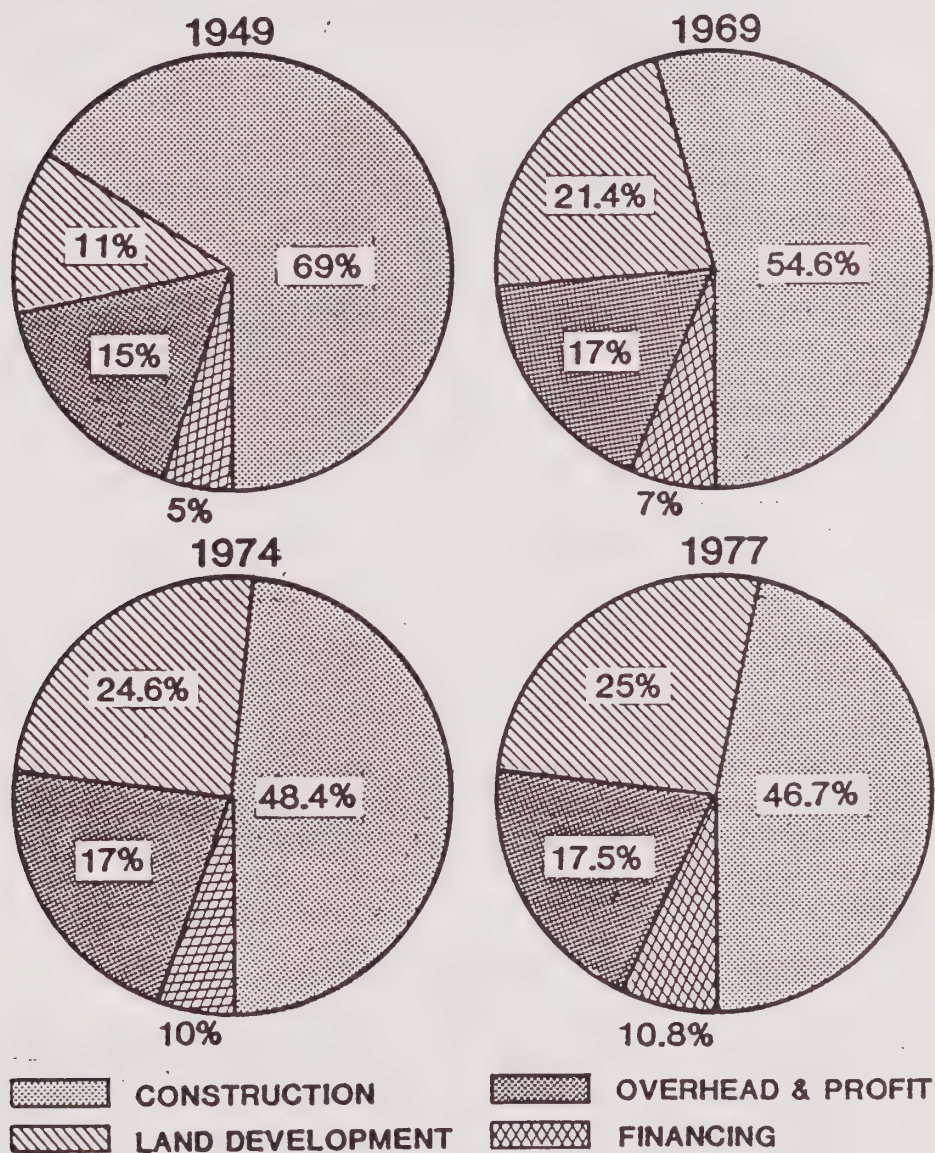
* Monthly payment based on 20 percent down payment and 12% adjustable and 14% fixed rates (typical in mid-1984) for a 30-year loan. This figure does not include utilities, insurance, maintenance or taxes.

** Required annual income is based on 30% of the owners income needed for principal and interest payments. Many other factors affect the income requirements set by lending institutions.

2. Financing, development and land costs

Financing, construction, land, development, overhead and profit are major components of housing production cost. Increases in production cost are often passed on to purchasers. Rental rates, however, have not kept up with increasing production costs, and as a result new rentals are not currently considered good investments. In addition to an imbalance between production costs and rents, a general fear of rent control has resulted in fewer investments in rental properties. The graphs on page 2-7 illustrate the

COMPONENTS OF HOUSING COST IN CALIFORNIA - SELECTED YEARS



Source: California Housing Task Force,
February 1979.

changing ratio of individual production cost components for new home construction between 1949 and 1977. Many of the changing ratios also apply to rental housing production.

Construction costs have actually decreased as a percentage of total cost (69 percent to 47 percent). Overhead and profit have increased slightly (15 percent to 17.5 percent). The cost of land and development has increased more sharply than any other component (11 to 25 percent). According to the California Housing Task Force report (February 1979), the cost of land may comprise 35 to 50 percent of the price of new housing. Rapid increases in land cost are most often attributed to:

- a. economic attractiveness of land development;
- b. government restrictions and processes;
- c. scarcity of buildable land;
- d. competition for desirable locations.

With the exception of a scarcity of buildable land, all of the preceding factors apply to San Luis Obispo County.

Construction financing is another housing cost factor that has increased substantially, more than doubling in the last 20 years to 10.8 percent of the finished cost of a house.

The cost of consumer credit has fluctuated dramatically in recent years. Until mortgage interest rates sky-rocketed in 1979, fixed-rate loans at 12 percent interest were readily available; by mid-1981 interest rates had jumped to 16 percent or more. During 1984 and 1985 rates have hovered around 12 percent, but this average figure quoted by the Federal Home Loan Bank of San Francisco reflects many variable rate mortgages at interest rates that will rise over time. As the table on page 2-6 illustrates, small changes in interest rates can significantly effect the incomes required to qualify for home loans.

3. Government requirements and review time

Uncertainty about whether a proposed housing project will be approved by all participating government agencies and how long the process will take can act as a deterrent to building new housing. The cost to a developer of holding property, beginning with site acquisition and ending with occupancy of dwelling units, is an expense generally recovered from purchasers. The longer it takes to develop and sell housing, the more it costs. The "holding period" is often devoted to securing permits from various levels of government, a process that normally involves evaluation of project effects on the circulation system, public facilities and services, and the environment.

If a government review process is needlessly lengthy, increased housing prices and rents or decreased housing production may result. While public review of projects is essential to protect a variety of public interests, the duration of such review should be no longer than necessary to fulfill the mandates of adopted public policy.

If the prospect of being granted a permit in a timely manner is uncertain, developers must consider that uncertainty in cash flow calculations before deciding to undertake development. If uncertainty is high, higher prices will result. If uncertainty is too great, developers may not build at all.

4. Producer and consumer concepts of need

The quality and size of homes has dramatically changed in the past 30 years. The median size of a new home has increased from 800 to 1,600 square feet, mostly because of larger rooms, more bedrooms, and the addition of dens and family rooms. Air conditioning, built-in appliances, wall-to-wall carpeting, double-car garages, two or more baths and other features have become standard in most homes, contributing to increased sale prices. While family size is decreasing and energy and housing costs are skyrocketing; larger, inefficient structures are being produced.

5. Housing as an investment

Because of high inflation, housing has become an investment as well as a place to live. Nationally, many ordinary households as well as professional corporate investors have recognized the investment opportunities of housing. This activity has stimulated housing price increases greater than the overall rate of inflation. Anthony Downs, a nationally recognized specialist in housing policy and urban economics has observed that: "Rising home prices have not curtailed the number of housing units demanded, as economic theory would predict. Rather, they have increased the number by stimulating greater total demand by people who expect additional price increases."

Ours has been described as a "post-shelter society" because the shelter value of housing has been replaced in priority among many owners by its investment and tax shelter value. This attitude, according to Downs, also leads many buyers to purchase more space than they really need, and to buy homes at an earlier age than they did just one decade ago. It also causes consumers to devote a larger share of their income to housing. In today's economy, housing is a relatively safe and profitable investment, outperforming both the stock and

bond markets or direct investment in small business, and invariably returns more than a savings account. Many households consider investment in housing as their only way of keeping up with inflation.

In addition to increasing housing cost, the investment nature of housing is creating definite distributional differences in wealth. Those able to invest become financially better off, while those unable to do so lose progressively more ground with inflation.

Housing also offers unique tax advantages, which increase its attractiveness as an investment. Homeowners can deduct mortgage interest payments and property taxes from yearly taxable income. Homeowners are also able to sell a house without paying capital gains taxes on the proceeds (as long as another, more expensive home is purchased) and may extract \$100,000 in capital gains after the age of 55 without paying any tax. No other investment offers remotely equivalent advantages. Moreover, such advantages induce households to purchase more costly homes over time.

Owners of rental property also derive substantial tax advantages from their housing investment in addition to earnings from the difference between rents and expenses. First, all expenses that contribute to a landlord's income (property taxes, mortgage interest payments, and maintenance costs) are tax deductible. Secondly (for income tax purposes) rental property theoretically depreciates in value over time. An investor is thus entitled to deduct part of the property's value each year.

Large investors with sizeable incomes benefit particularly from depreciation allowances and have a strong incentive to resell their property after the largest share of depreciation has been taken. The new owner can begin the depreciation cycle all over again. Each time rental property is bought and sold in this manner, owners benefit from the tax advantages and tenants are faced with increased rent. The investment benefits inherent in real estate (particularly large rental complexes and mobilehome parks) ensure turnover at high prices and ever-increasing rents.

6. Second homes

Although the actual number of vacant housing units in the county is probably sufficient to satisfy demand, not all are actually available for rent or sale, and many are located at excessive distances from employment centers. A survey of vacant housing units in San Luis Obispo County was conducted in November of 1984 by the Federal Home Loan Bank of San Francisco. Results of this survey indicate an overall

vacancy rate of 2.1 percent for all housing types countywide. Since this includes housing units which are vacant, but not for sale or rent, the rate for available housing would be less than 2.1 percent. This is particularly evident in the coastal community of Cayucos, with an apparent vacancy rate of 4.9 percent, largely consisting of second homes held off the market.

Most non-available vacant housing units are second homes. While such homes have positive attributes (They generate property taxes in excess of the public services they require.), they can have a negative effect on the housing market if the homes were originally part of the rental or ownership stock and were converted to second home use.

7. New county arrivals

San Luis Obispo County's favorable environment, life style, recreational opportunities and location convenient to the Los Angeles, San Francisco and San Joaquin Valley population centers have resulted in immigrations which contributed 90 percent of the population growth since 1970. More than half are from Southern California, primarily Los Angeles County. Many newer residents are leaving areas with higher median incomes and real estate values, and are arriving with substantial equity from a previous home sale. They are able to pay more for housing than many county residents and are adding to housing demand and cost inflation.

8. Young families

The formation of new households is also adding to competition for housing units and contributing to increased rental and ownership costs. The number of persons entering first-time renting or home-buying age has increased steadily over the past decade as those born in the post-World War II baby boom have reached their 20's and 30's.

9. Decreasing household size

Between 1970 and 1980 the unincorporated county average household size dropped from 2.99 to 2.50 persons per household.

Trends in household size are significant because they reflect such changes in population characteristics as:

- a. Families with fewer children.
- b. More young adults living on their own.
- c. A rising median marriage age.
- d. An increasing divorce rate with more residents choosing to live alone.
- e. An increasing proportion of elderly persons.

While the decrease in average household size is responsible for a decline in the number of overcrowded households, it also has increased demand for housing. For example, 20% more housing units are necessary to house unincorporated county residents because of the decline in average persons per household to 2.50 from 2.99 between 1970 and 1980. Thus, additional housing units are necessary simply because population characteristics have changed since 1970.

Household size also differs markedly between communities. Among the factors are the high cost of available housing, which may cause a family to move outside the area of their choice; an inadequate range of housing unit sizes in a community; demographic makeup, such as family size and proportion of student population; and the age structure of a community. Thus, large households can be found in the rural areas of the county, particularly the Nipomo Mesa. On the other hand, coastal households (e.g. Avila Beach, Cambria and Cayucos) are smaller, ranging from 1.8 to 2.2 persons per household.

Although the change from 2.99 persons per household in 1970 to 2.50 in 1980 is difficult to relate to individual families, the following chart illustrates how this trend towards smaller household sizes effects various households. Particular note should be made of the change in percentages of the one and two person households and five and six person households.

HOUSEHOLD SIZE
UNINCORPORATED COUNTY

HOUSEHOLD SIZE	1960	1970	1980
1 Person Household	16.3%	18.2%	22.8%
2 " "	33.2%	36.4%	39.2%
3 " "	15.5%	13.9%	15.9%
4 " "	14.9%	13.0%	13.4%
5 " "	10.2%	8.7%	5.5%
6 " " or larger	9.9%	9.8%	3.2%
	100.0%	100.0%	100.0%

Source: U.S. Census

In conclusion, changing population characteristics combined with increasing housing costs, smaller households and new life styles suggest the need for a wider variety of housing types. In particular, it is essential that alternatives to the single-family detached residence be provided. However, modification of housing preference may be difficult in light of the strong bias for such housing. Among the reasons for this bias are perceptions that alternatives to single-family housing will decrease property values, produce overcrowding and potentially create substandard conditions.

Alternative types of housing are needed for single adults, young married couples, middle-aged couples no longer wanting a single-family home, and elderly persons no longer able to afford nor maintain a single-family home.

10. Need for self-help housing programs

Most individuals no longer build their own housing but rely on professional builders. While most of the world's housing is still constructed by its occupants (with the exception of the industrialized nations), in the United States professional builders, construction trade unions, the media and government building regulations have conditioned consumers to expect "turn-key housing", where they simply sign the papers and move into a finished product.

Migration from cities to rural areas and increasing housing prices are responsible for a renaissance in owner-built homes. Owner/builders represent every occupation and social group but often have in common a dissatisfaction with the choices offered by the housing market. Such dissatisfaction is primarily centered around several factors:

- a. The cost of buying or renting housing.
- b. The inability of mass-produced housing to satisfy individual family living space and lifestyle needs.
- c. Desire to be active in providing their own shelter.

In addition to the building professions, federal, state and local governments are concerned with promoting lower cost housing, yet they generally ignore the benefits of owner-built housing. Minimizing the profit element, reducing labor costs, and building smaller, more efficient structures can lower housing costs significantly.

Unfortunately, most lenders discourage owner/builders by requiring use of a building contractor. Housing design is also affected because lenders are less likely to approve a loan on a home that, in their opinion, would appeal to a more narrow resale market.

Peoples Self-Help Housing Corporation is the only known organization in San Luis Obispo County that will assist low- and moderate-income families in building affordable housing. Between 1970 and 1985, the corporation has assisted 211 families in San Luis Obispo County build their own homes (approximately 1,000 families are currently on its waiting list). Lack of affordable land, government restrictions and requirements, public service and resource limitations and financial shortages limit the program's effectiveness.

11. Availability of public facilities and services necessary for new development

Housing requires a variety of services and facilities from local government, including police and fire protection, schools, libraries, streets, sewage disposal and water supply. Provision of such services and facilities is dependent upon available financial and natural resources.

Financial resources to support such government services are becoming scarce because of inflation and tax limitations. Natural resources, particularly water, are in short supply. Some areas of the county have experienced building moratoriums due to water or wastewater treatment facility deficiencies (most notably Nipomo, Cambria, and Cayucos).

12. Need for coordination among providers of housing services

Numerous housing-related services and activities are performed or supplied by a variety of agencies and organizations within the county. Nearly all social service agencies, many churches, private non-profit groups, eight city and county planning departments, and a variety of state and federal agencies deal with some aspects of housing. Residents often express frustration about not knowing who does what, for whom, and where. A centralized source of housing information could serve to identify the many options and services available to residents.

13. Attitudes toward housing grants and programs

A variety of research, program development, and project operation grants are available from the state and federal government as well as private organizations and institutions. Such opportunities are likely to become increasingly limited in the years to come, but presently they still offer significant potential. Nevertheless, grants for direct improvement of housing conditions have been little used locally, partly because few in county government have training or expertise in writing grant applications. Other

obstacles to the use of grants are the common notions that grants are "boondoggle" operations and that approval of grant applications by the state or federal government sacrifices local control.

A common objective of housing-related grants (especially Community Development Block Grants) is the upgrading of low- and moderate-income housing and neighborhoods. Budget limitations and inflation are making it more difficult for local government to finance necessary programs without seeking state or federal assistance.

14. Least-cost, "no frills" housing

Least-cost housing is efficient and cheaper to build because it is smaller and does not contain some of the more costly amenities such as air conditioning, multiple bathrooms, complete carpeting, large garages, extra bedrooms, or large lots. Least-cost housing is usually provided by builders who also employ cost-saving production methods.

Relatively little least-cost housing is available in the county, primarily because of supply and demand. A developer would rather receive 13 percent profit on a \$100,000 home than a \$50,000 home. Even though many county residents cannot afford higher-priced homes, new residents with more purchasing power will buy them. As long as expensive homes are being purchased, there is little incentive to build cheaper ones.

Another possible reason for limited least-cost housing is that most consumers have not been willing to become involved in the housing production process. Most least-cost housing is not "turn-key." Consumers cannot simply move in as in conventional subdivisions. Usually they are responsible for purchasing land, arranging for financing and construction and possibly finishing the house themselves.

As fewer people are able to afford to pay others to supply their homes, they will be forced to become more directly involved in reducing costs. Besides the obvious savings from using one's own time and energy instead of paying someone else, significant savings may result when consumers make the decisions affecting the cost of units. When consumers know the cost of adding an extra bedroom, trash compactor or enclosed garage, they will be better able to decide if those items are necessary or economically attractive.

15. Effects of energy inefficiency and increasing utility costs

High home prices, rents and mortgage interest rates may not

be the only deterrents to affordable housing in the future. Increasing energy costs are further reducing housing affordability.

According to the California Energy Commission, average residential electricity and natural gas bills increased significantly between June 1979 and June 1980. Statewide, electricity bills increased 37.3 percent even though average household consumption decreased 7.6 percent (due to a combination of mild weather and conservation). Natural gas bills increased statewide 72.9 percent while average household consumption increased 22.72 percent.

Although the energy future is uncertain, it is likely that the price of energy used in homes and apartments will increase at a rate faster than income. Everyone will be affected, particularly those with low and fixed incomes. Many of these people are already stretched to their financial limits and are least able to absorb any increase.

An important element of the problem is illustrated by most housing being produced today. Recent code changes control the amount of window space in new structures and also require insulation. However, increases in housing size and the addition of energy-consuming amenities without energy-efficient design will offset some of the gains achieved by insulation. Total energy use and future operating costs are not always considered in housing design and construction.

As a result of large increases in the cost of electricity, natural gas and water, home utility bills can easily exceed \$100 per month. In particular, the cost of energy for pumping and treating water has increased to levels where water can no longer be supplied to homes at the minimal rates of the past.

16. High rent

Rents in the county are increasing, but at a slower rate than the costs of ownership housing. Current estimates supplied by the city of San Luis Obispo Housing Authority and local realtors indicate rents are increasing approximately 8 percent per year, while the cost of buying a home has been increasing from 5 to 15 percent. This fact is of little consolation to renters already spending more for rent than they can afford. Homeowners' monthly payments are relatively fixed, while rents increase with inflation or sale of the rental property. Many renters are low-income households, representing a disproportionate share of large families, single-parent households with children, the elderly, farm workers, ethnic and racial minorities.

No universal definition of affordability (what proportion of household income should be spent on housing) has been agreed upon. The U.S. Department of Housing and Urban Development (HUD), the California Department of Housing and Community Development (HCD), and many private lending institutions use a guideline that households should spend no more than 30 percent of their gross monthly income for housing. Although many higher income households can voluntarily spend more than 30 percent, lower income households find payment of such rents impossible without severely limiting other living necessities.

Reasons for the lack of affordable rental units are numerous and complex. Inadequate income and the condition of the economy are probably the major contributors. Few rental units are presently being constructed and there is a shortage of existing lower income rental units. High construction costs, the belief that rental properties are poor investments, and a lack of financing discourage new construction. Many single-family homes once used as rentals have converted to owner-occupied housing. Some apartment units have been lost through conversion to other uses. Single college students generally are willing to share rentals with other students. Many owners charge a "per-student" rent or raise the total rent to allow apartment sharing. This reduces an individual student's rent but forces families that cannot afford the higher rent to look elsewhere for housing. Such factors contribute to a low vacancy rate and increase the pressure on the existing housing market supply, resulting in increased competition and higher rents for the few available units.

The 1980 census determined that 77% or 11,455 of all county households earning less than \$15,000 spend more than one-fourth of their gross monthly income for rent. Approximately 67%, or 10,005 of these households spend more than 30% of their income for rent.

GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME

Household Income	25% or more of Income	30% or more of Income	50% or more of Income	Number of Households
Less than \$5,000	83%	81%	65%	4,613
5,000- 9,999	85%	76%	31%	5,822
10,000-14,999	61%	42%	7%	4,389
15,000-19,999	36%	18%	-	2,922
20,000 plus	10%	3%	-	4,204

Source: 1980 census (STF4)

Census data and state estimates do not indicate how much more than 35% of income these households spend; however, agencies that counsel households with affordability problems (Economic Opportunity Commission, San Luis Obispo City Housing Authority and California Rural Legal Assistance) report that many spend between 50% and 80% of their income for rent. This severe overpayment problem is most often experienced by the elderly, the handicapped, farm workers, large families and female-headed households. The housing problems of these special needs groups are discussed individually in this chapter.

Although higher-income households can spend in excess of 30 percent of their gross income for rent, lower income families cannot without minimizing necessities such as food, clothing, transportation and medical services. Lower-income households are those that make 80 percent or less of the county median.

17. Supply of new rental units

Between April 1980 and January 1984, only 11.3 percent of new dwelling units constructed in the unincorporated county were multiple-family units. Few, if any, were affordable for low- and moderate-income families. While not all rental units are part of multiple-family structures, fewer single-family homes are used as rental units because high purchase prices require more rent than the units can command. High construction costs also affect new multiple-family structures. Because rent increases have generally not accompanied rapidly inflating development costs, financing for new multiple-family units is scarce. Many consider new multiple family rental units to be poor investments although this attitude has reversed somewhat in the past two years.

18. Rent increases as rental units are sold

Rental units are generally sold less often than owner-occupied units, so effects of inflation and higher mortgage interest rates are not quickly reflected in the rental rates. When rental units are sold, however, rent increases are often significant.

Recent market conditions encouraged many rental property investors to choose real estate since it had outperformed most other investments. An inflated purchase price plus high mortgage interest and increasing operating expenses often result in negative cash flow (expenses exceed rental income) for the new owner. Rents are raised (often dramatically) and the new owner may later resell at an even higher price, resulting in a cycle of increased rents to pay increased mortgage payments.

19. Availability of efficiency and one-bedroom units

A number of people, especially the elderly, students, and single persons, have expressed concern that not enough small rental units are available. This need is particularly difficult to satisfy because most developers would prefer to provide average-sized rather than small units to serve the widest possible market. Present county standards allow the same number of units in a project regardless of the number of bedrooms per unit.

20. Conversion of apartment units and mobilehome parks to condominiums or cooperatives

While condominiums and cooperatives are both forms of joint ownership of multiple-unit housing, they have basic differences. In a condominium (often called an "air space" condominium), the resident owns only the interior of the unit, with undivided ownership interest (together with other unit owners) in the building, the land and all other common property. A cooperative resident does not own the unit but instead owns shares in the cooperative association (a legal entity like a corporation that owns the entire property), together with the right to occupy a specific unit. In effect, the resident "rents" the apartment from the "corporation" that owns it (of which the resident is part).

Some forms of cooperative ownership control the resale of units to eliminate speculative gain. In a limited equity cooperative, the mortgage is retained for its life by a nonprofit corporation and ownership is transferred through the selling and repurchase of nominally-priced shares. Cooperative members are thus not influenced by increasing costs of mortgages and credit. Monthly payments reflect only changes in actual costs. Because this type of cooperative allows prices to be lower than market rates for equivalent units, it can provide housing for people not served by the traditional market.

Unlike many areas of California and some incorporated cities in San Luis Obispo County, few conversions of apartments to condominiums have occurred in the unincorporated areas. While the lack of conversions may reflect a smaller market for condominium and cooperative forms of ownership in the predominately rural unincorporated county (people generally move to rural areas for "elbow room"), this situation could change quickly as housing prices and demands for ownership increase.

Local governments throughout California have moved to regulate apartment and mobilehome park conversions for the following reasons:

- a. Conversions are lower cost alternatives to home ownership, but reduce the stock of rental housing. Even though some renters are able to become owners of converted units and some investors purchase units to offer as rentals, many renters cannot afford the increased costs of owning or renting converted units. In 1979, the state Department of Housing and Community Development reviewed 33 pending conversions and found that 70 percent of the projects would involve monthly costs more than double pre-conversion levels.
- b. Conversions are occurring during a severe shortage of rental housing. The decrease in overall rental supply (nonsubsidized rental units are not being built) increases competition for remaining units and supports overall rent increases. Those least able to compete in the housing market are hurt the most. The rent-paying ability of most low- and moderate-income renters in California already falls short of current rental rates.
- c. Not everyone wants to own property. Many choose to live in rental housing: elderly persons who have sold their homes, people who are new to the community, those who don't want the responsibilities of ownership, students and others who may be short-term residents.

21. Need for county housing authority

An active housing authority has not existed in the county since 1969. Residents of unincorporated areas are currently served by the San Luis Obispo City Housing Authority, whose services are specified by a joint powers agreement between the city and county, and are limited to the federal Section 8 rental assistance programs. Currently, 117 unincorporated county households receive benefits under the program. Many other programs are unavailable to unincorporated households due to joint powers agreement limitations.

Housing authorities were created by the 1937 Housing Act, which provides federal aid to state agencies for low-income housing programs. The scope and function of housing authorities have changed considerably since 1937; new roles were created by the Housing and Community Development Act of 1974 and recent state legislation. There has been a general shift away from conventional large-scale housing projects (that often had negative effects on their occupants as well as the communities in which the projects were located). Housing authorities are becoming increasingly involved in construction of small, decentralized developments. They are also expanding their activities beyond ownership and management of subsidized housing to include residential

rehabilitation and maintenance programs, housing advisory and referral services, leased housing, and a variety of coordinative functions.

22. Impact of Cal Poly students on housing stock

Approximately 15,400 students were enrolled in Cal Poly during the 1984 spring quarter. Approximately 20 percent resided on campus and the remaining 80 percent off campus. According to a report prepared by Cal Poly's director of institutional research, 79 percent of the students living off campus resided in the city of San Luis Obispo, five percent in South Bay, and three percent in Pismo Beach. The remaining 13 percent lived elsewhere in San Luis Obispo County and northern Santa Barbara County.

The large number of students living off campus aggravates the area's tight rental market by increasing competition for few available units. Competition in a rental market with low vacancy rates ultimately results in overall rent increases. While groups of students are willing to live together to pay the rent, families are not.

Not all students want to live in dormitories, but more would live on campus if alternatives were available. Some campuses use mobilehome and recreational vehicle parks and bungalows on campus to satisfy the need. Such facilities have low construction costs and are relatively easy and fast to build.

23. Increasing cost of mobilehome space rent

The rising cost of traditional home ownership has been responsible for a significant increase in the popularity of mobilehomes, which currently comprise approximately 12 percent of the unincorporated county's housing stock. More than one-half of the mobilehomes in the unincorporated county are in mobilehome parks.

Complaints about mobilehome park rent increases have been voiced throughout California. Although data on rent increases in unincorporated areas of this county are not available, a June 1979 survey of 12 parks in the city of San Luis Obispo may be indicative of the problem. The survey (conducted by the city's Human Relations Commission) shows that all parks increased rents above the five-year rise in the Consumer Price Index for rent. Ten parks increased rents between 11 and 94 percent above the five year rise.

Park residents find higher rents increasingly difficult to absorb. In addition to space rent, many park residents are

making mortgage payments on their mobilehomes. The HRC survey found that 36 percent of park residents were also making mortgage payments. Many elderly on fixed incomes live in mobilehome parks. In 1970, more than 35 percent of households living in mobilehomes in California were over age 62.

San Luis Obispo County voters approved a ballot initiative in June 1984 to establish mobilehome park rent stabilization in the unincorporated areas of the county.

24. Competition for rental units

The 1976 census indicates that a shortage of rental units exists in the unincorporated areas of the county at both the low and high ends of the rental rate range. This is to say if units were distributed ideally (with households spending 30 percent of their income for rent) not enough units would be available to satisfy demand of either high- or low-income households. A surplus exists at the middle range, resulting in low- and high-income households theoretically competing for the same units. Lower-income persons are forced to spend more than 30 percent of their income, while higher-income persons spend significantly less. The 30 percent rent-to-income ratio is critically important for lower-income households with fewer dollars available to spend. Spending more than 30 percent is often at the expense of other living necessities.

25. Low vacancy rate

According to the 1980 census, the vacancy rate for rental units was approximately two percent, while three percent is the rate needed to assure a balance between adequate choice and availability of rental housing. A low vacancy rate limits housing choice. Demand for housing exceeds supply, resulting in increased rental rates.

Families with children, large families, seniors, single people, and the handicapped have special difficulty finding housing when vacancy rates are low because only a fraction of vacant units are available to them.

26. Disputes between landlords and tenants

Disputes occur for a variety of reasons, although the condition of the economy and the area's low vacancy rate are probably most influential in increasing their frequency. Statistics on the number, type and frequency of disputes are non-existent because many agencies receiving reports do not keep records of the calls.

The District Attorney's Office receives some calls concerning racial discrimination, but most are from landlords having difficulty evicting tenants for non-payment of rent. Unless the action involves a criminal matter, the district attorney has no jurisdiction and callers are referred to private attorneys.

The city of San Luis Obispo Human Relations Commission provides referral and information services to all county residents, but provides informal mediation services only to city residents. The commission receives many calls concerning families with children and other disputes between landlords and tenants.

Disputes between landlords and tenants are the most common complaints handled by the local California Rural Legal Assistance office, although complaints concerning racial and economic discrimination (from persons receiving public assistance) are also heard.

The county Economic Opportunity Commission receives numerous calls from residents on racial discrimination, families with children and landlord/tenant disputes.

Most landlord and tenant complaints received by agencies in the county involve:

- a. Landlord difficulties in evicting tenants for non-payment of rent, destruction of property, and violation of rent or lease agreements.
- b. Substantial rent increases.
- c. Failure of landlords to maintain or repair rental units.
- d. Rental of structures that were not constructed as dwelling units (chicken houses, boxcars, truck bodies, etc).
- e. Tenants unable to reclaim cleaning or security deposits.
- f. Tenants evicted after the birth of children.
- g. Tenants evicted because they receive public assistance.
- h. Lack of knowledge about landlord/tenant rights and obligations implied or stated in rental agreements.
- i. Eviction without reasonable cause.

- j. Other complaints, such as unreasonable entry, noise and pets.

Landlords and tenants in the unincorporated county currently have two choices in resolving disputes: voluntary compromise and legal proceedings. Voluntary compromise probably resolves some disputes, although the county's low vacancy rate and increasing competition for few available units offers little incentive for such resolution and occurs only when both parties would gain by resolving the dispute.

Where disputes cannot be worked out voluntarily, no alternative currently exists short of the judicial system. Cases can go to small claims court or municipal court, depending on the type of action and amount of damages involved. The process is often complex and always costly. Such costs can also be passed on to county residents because of the increasing number of tenant and landlord disputes that must be handled by the judicial system.

27. Landlord/tenant relations

Tenants have various problems in their dealing with their landlords and have a limited number of ways to deal with these problems. Although renters are within their rights to request maintenance and repairs, many fear their rents would be increased if they did so. Moreover, many financially hard pressed tenants would rather tolerate being ignored, inconvenience, or unsafe conditions than face the possibility of increased rent and the high costs of moving (typically requiring a first and last month's rent, security and cleaning deposits). Thus, despite the fact a problem represents an infraction of the county's building or health codes, and they are protected by state law from eviction, tenants may be reluctant to report the violation. Other than complaining to building officials, moving or direct court actions, under certain circumstances tenants may withhold rent until a problem is corrected, or spend no more than one month's rent to correct a problem. None of these are desirable to most tenant and landlords.

Landlords have also expressed concern about problems they have with renters. When a renter abuses the unit, the owner seldom can do more than keep the deposit which may not cover the entire expense. Although an owner can take a renter to court for damages, the process is often costly, complex, and time-consuming. There is also the problem of tenants who do not pay their rent, who are habitually late in their payments or who leave with or without the furnishings. These tenants make it unpleasant as well as expensive for the owners to operate rentals. Evicting a renter often takes several

months, during which time the tenant often stops paying rent altogether. Some landlords have complained that this makes it necessary for owners to charge higher rents to cover losses and it discourages construction of new rental units.

Although landlord/tenant disputes are the exception rather than the rule in rental situations, when they do occur both sides generally lose. To encourage more mutually acceptable solutions, a program providing information, counseling and mediation services is proposed.

28. Overcrowding

Many public health officials agree that overcrowding is the major housing characteristic that influences health. Overcrowding can affect physical health (e.g., increases in respiratory infections, childhood diseases, injuries in the home, fatigue and lack of sleep) and psychological health (e.g., self perception, sense of individuality, stress, intrafamily friction).

Officials, however, disagree on methods of measuring overcrowding. A variety of methods have been used: number of square feet per person, number of people per room, number of people per number of bedrooms, and use crowding (space versus family needs, customs, etc.). The use crowding method is not yet widely used, but it appears to be a more effective indicator of overcrowding because it takes into account space and family needs at the same time. A numerical space measure, on the other hand, assumes that all families live the same way.

Most governmental entities, including San Luis Obispo County, receive overcrowding information from the U.S. Census Bureau, which uses a numerical space measure of more than one person per room (total number of rooms divided by the number of persons occupying the unit). This method overstates the problem because it does not consider individual household space needs or preferences due to choice or custom.

According to the U.S. Census Bureau, overcrowding is one of the few major housing problems that has shown a significant decline in recent years. Between 1960 and 1970, the number of overcrowded unincorporated county households decreased from 14.6 percent to 10.2. Although the actual number of overcrowded households increased from 1,216 in 1970 to 2,068 in 1980, the percentage of overcrowded county households dropped from 10.2 to 3.7 percent by 1980. The principal reason for the decline has been the reduction in average household size.

Although overcrowding is declining by census bureau standards it is a serious problem for those experiencing it, especially large families. Since overcrowding is much more common among large families, the percentage of persons who live in overcrowded housing is higher than it is for households. Programs that stress affordable housing and self-help housing rehabilitation and room additions can reduce existing overcrowding problems.

29. Homelessness

Although there are no substantiated estimates of the number of persons in the county without housing, it is estimated that there are from 30 to 50 within the City of San Luis Obispo alone (SLO City Housing Element). They sleep in cars, under bridges, in parks, and many other places, and they also usually need assistance to obtain food, medical services, and other items which they cannot afford.

The Department of Social Services currently provides general relief assistance for only three homeless persons, in the form of food vouchers. When such persons can find rental housing, additional assistance is available for rent payments and other household expenses. The Housing Authority of the City of San Luis Obispo refers homeless inquiries to Hot Line, the Salvation Army, and Grass Roots, in addition to the Department of Social Services. There are no emergency shelter facilities in the county at this time, but they could be established in the future.

30. Need for housing rehabilitation and preservation programs

New housing construction is necessary to supply needed housing but adds only three to four percent to the existing housing stock each year. Because of this, existing housing must be preserved and, where necessary, rehabilitated.

Older housing often serves as an affordable housing resource for lower income households. Because very little lower income housing is presently being built, it is more important that older housing be kept in repair.

The lengthy process of housing deterioration and decline begins as soon as a housing unit is constructed. Once housing deteriorates past the point that rehabilitation is economically feasible, little can be done short of site clearance and replacement. In addition to loss of housing, the process can result in high monetary and social costs due to displacement of residents and disruption of social networks and cultural traditions.

Housing deteriorates to the point of needing preservation or rehabilitation primarily because of lack of maintenance and necessary repairs. However, it is not enough to identify the existence and level of housing deterioration. The reasons for the lack of housing maintenance and repair must be sought. Explanations differ from community to community and often from house to house. Some possible reasons are: inadequate household income; inability to perform maintenance and repair activities due to resident's age, disability, or lack of "know-how"; future development that may make an area less desirable; lenders' reluctance to make loans in certain areas (commonly referred to as "red-lining"); loss of community or village economic base; proximity to incompatible land uses or obnoxious activities; speculation; poor quality construction; lack of adequate public services; and a variety of other public and private considerations.

The need for preservation or rehabilitation depends primarily on a structure's physical condition. The possibility of preservation or rehabilitation depends on a participant's ability to pay and the type of programs available. It is important to realize that many property owners cannot afford or are unwilling to participate in preservation or rehabilitation programs.

Rehabilitating or substantially improving a home can increase the cost of housing for low- and fixed-income households. The costs of repairs and improvements on rental structures are often passed on to tenants in the form of higher rent. Homeowners may pay higher property taxes because of increased assessed valuation due to improvements. Any proposed program should address these potential problems.

The county recently completed a housing rehabilitation program in Oceano with Community Development Block Grant funds, has been using block grant funds for housing rehabilitation in the Red Wind Native American Community, and also in San Miguel. Normally, building code, zoning ordinance, and health and safety violations are handled on a complaint basis and do little to improve the overall condition of housing.

Peoples Self-Help Housing Corporation is the only organization in the county with ongoing rehabilitation and preservation programs. Increases in funding would certainly help this and similar future programs improve the housing stock.

A housing condition survey conducted in 1979 examined exterior conditions of approximately 62 percent of the unincorporated county's 21,105 single-family residences, multiple-family dwellings, and mobilehomes. It found that

89.6 percent of surveyed units were sound, 8.7 percent were deteriorated, and 1.6 percent were dilapidated.

The only other information on housing condition in the county is contained in the 20-year-old 1960 census. Since 1960, the county's housing stock has more than doubled. The 1970 and 1980 censuses do not contain data on the physical condition of housing.

When viewed on a planning area or countywide basis, the number of unsound housing units surveyed appears quite small; however, when communities are viewed individually, the survey results are more significant.

At least 10 percent of the housing units are deteriorating in the communities of Creston, Garden Farms, San Miguel, Santa Margarita, Templeton, Avila Beach, Oceano, the O'Connor Way area, Shandon, Whitley Gardens, and Nipomo. Although the level of deterioration varies, most units can be rehabilitated. Unless rehabilitated, these units will become dilapidated and eventually lost as a housing resource.

31. Substandard housing

A variety of public agencies and nonprofit organizations receive complaints about substandard housing. The problem has also been emphasized by many citizens who attended the Planning Department's housing problem identification meetings in December 1979. Complaints usually involve violations of the Building Code, Land Use Ordinance or Health and Safety Code and are referred to the Planning or Health Departments. Because of staffing limitations, violations are currently handled on a complaint basis only. Complaints range from a lack of building maintenance or lack of plumbing and sanitary facilities, to families occupying structures or objects not suitable for housing, such as chicken coops, boxcars, automobiles and truck bodies.

Unless neighbors or occupants complain, most substandard housing conditions remain undetected. Occupants are usually reluctant to complain to authorities until they move out. The cost of moving is high and the county's vacancy rate, especially for low-rent housing, is very low. Little eviction protection exists for tenants who report violations. Protection from retaliatory eviction is currently only 120 days. Even if tenants are not evicted, the cost of conforming the building to code standards may be passed on as higher rent.

32. Loss of existing housing units

Housing units can be lost to structural deterioration, functional or economic obsolescence, fire or other disasters, conversion or change of use, or public acquisition for streets, highways or other public facilities and improvements. Most units demolished because of deterioration, obsolescence or disaster are eventually rebuilt; however, few units lost to conversion, change of use or public acquisition are ever replaced. Because conversion of housing to other uses and public projects requiring demolition often affect older areas, the impact on affordable housing can be significant.

If habitable housing units are converted or demolished and not replaced, pressure increases on the remainder of the housing supply to satisfy demand. Often a valuable, affordable housing resource is lost in the process. Although state and federal relocation acts require public agencies to assist those displaced through public action, the housing units are seldom replaced.

The county has never experienced the amount of public and private housing removal activity typical in large metropolitan areas. Although most projects involve a small number of units, the cumulative effects of small removal projects over an extended period of time can negatively affect the county's housing stock and its ability to satisfy the need for affordable housing.

33. Persons displaced by public action

The hardships imposed upon individuals and families who are displaced from their homes as a result of public action have been well-documented by social scientists. Such hardships range from the disruption of home and community life to the added financial burdens of higher housing costs incurred after relocating. Low- and moderate-income persons are particularly affected because they are least able to absorb additional expenses in today's inflating housing market. The private housing market in California is not able to produce enough housing for families with low or moderate incomes.

In addition to persons with low- and moderate-income, the elderly, handicapped and disabled often experience unique relocation problems due to physical, emotional or financial burdens. Studies have indicated that a high percentage of displaced elderly persons do not survive the often traumatic effects of relocation. Handicapped or disabled persons may experience setbacks or reversals of physical therapy and rehabilitation.

The federal Uniform Relocation Assistance and Real Property Policies Act of 1970 and the 1976 California Relocation Act require that relocation assistance be made available to persons displaced for public purposes. The acts require that no person shall be required to move unless affordable, decent, safe and sanitary replacement is available, which is not generally less desirable with regard to public utilities and public and commercial facilities than the home from which he or she is moving. Assistance consists of rental supplements for tenants and home purchase supplements for homeowners, moving expenses, relocation counseling and assistance in searching for a replacement dwelling.

Historically, public entities have used relocation payments to reduce the adverse effects of displacement. This has become ineffective because of rapid increases in the cost of housing, the limited period for which tenants receive benefits (48 months), and a decreasing supply of standard, affordable low-cost units available even to those receiving rent supplements.

34. Discrimination in the sale and rental of housing based on sex, race, religion and other arbitrary factors

Even if an adequate number of affordable dwelling units existed in the county, evidence suggests that some of that housing would not be accessible to all residents. Although federal and state laws have prohibited arbitrary discrimination for reasons of race, religion, national origin, ancestry, color, sex, or marital status for some time, the practice still exists to some degree, although in less overt forms than in the past. Housing has not always been treated as a consumer good offered for sale to the general public.

Unfortunately, it is difficult to assess the severity of discrimination problems since many occurrences may not be reported. Occurrences that are reported go to a number of different agencies, such as the county District Attorney's Office, county Commission on the Status of Women, city Human Relations Commission, and California Rural Legal Assistance Office.

35. Perceptions of low and moderate income

Too often a negative connotation is attached to the term "low- and moderate-income." As a result, support for low- and moderate income housing programs has been less than enthusiastic. By definition, households with incomes less than 120 percent of the median county income, which in 1984

was \$28,800, have a low- or moderate-income. According to 1980 census information, approximately 59 percent of the county's households are in that category.

36. Housing near employment and services

The city of San Luis Obispo is the county's major employment and service center. According to sales price information from the county Assessor's Office, the median sales price of a home in 1983 in the city of San Luis Obispo was approximately \$110,000. The limited supply and high cost of housing in the city has been one of the primary reasons for the more rapid growth of communities such as South Bay, which experienced a population increase of 209 percent between 1970 and 1980.

In March 1984, the San Luis Obispo City Housing Authority compiled an estimate of rental costs in the county. A sample of monthly rental payments from four sources indicated a variation in rents by community and size of unit. Rates in San Luis Obispo are consistently high, followed by the Pismo Beach/Arroyo Grande/Grover City, Baywood Park/Los Osos and Cayucos/Morro Bay areas. Lower rents appear to be more common in the Nipomo/Oceano, Paso Robles/Templeton, and Atascadero areas.

According to the city of San Luis Obispo's 1985 Housing Element and 1980 census information, a high percentage of the city's daytime population commutes from other communities. For example, 20 percent of employed heads of household from the Arroyo Grande area worked in San Luis Obispo; from Atascadero 24 percent; from South Bay 52 percent; and from the Avila Beach area, 63 percent. Based on census information and transportation surveys, the city's planning staff estimates that between 3,000 and 5,000 households living outside the city have at least one member working or attending college in San Luis Obispo. According to the city's 1975 census, 15 percent of resident heads of households (about 2,000) worked outside the community. These figures imply a net potential of 1,000 to 3,000 households would locate in San Luis Obispo, if they chose to live closer to their work and could find desired housing at affordable prices.

At one time, housing prices and rental rates were much lower in the outlying communities. Since 1976, however, differences between housing purchase and rental costs have decreased while the cost of commuting has increased. Thus, many who work in San Luis Obispo cannot escape the high cost of housing by moving to outlying communities.

37. Need for compatible "mixed-use" development

Opportunities for mixing residential, commercial, professional and government uses are not always utilized. Apartments over shops, professional offices, government buildings and parking structures can offer excellent opportunities for "mixed-use" development. In addition to promoting an active, lively environment, the mixing of residential and business uses can give many people, including the elderly, students and single persons the option of living without an automobile since the units can be located close to services and employment.

38. Ethnic and racial minorities

Although the 1980 census indicates a decrease in the minority percentage of the population since 1970, trends are difficult to establish due to discrepancies in the wording of census questions concerning race. According to the 1980 census, 90.5 percent of the San Luis Obispo County population is white; 1.8 percent is black; 1.5 percent is American Indian; 2.2 percent is Asian; and 3.9 percent belong to other ethnic groups. The census also indicated 9.5 percent Spanish origin which is not a racial group but is a considered minority group.

Detailed socioeconomic information about the county's minority population is sketchy at best. Information available from the 1970 census relates only to the county's two largest minority groups: black and Mexican-American. More information is available from the 1980 census on persons of Spanish origin. The following narrative is based on 1980 census data, information supplied by a variety of public service organizations that serve the county's minority population, and problems and concerns voiced at three housing problem identification meetings.

The 1980 census has information on the number of families, by race, who are below the poverty status threshold. The poverty status threshold varies, depending on family size and number of children. At census time the poverty income level was \$7,356 for a family of four with two children. While 13.7 percent of all households in the county were below the poverty level in 1980, 14.4 percent of blacks; 19.4 percent of American Indians; 22 percent of Asians; and 22.2 percent of Hispanics were living below that level.

Many housing problems experienced by minorities result from low income. The fact that members of the county's minority groups had incomes well below the county median is significant, and suggests that a high percentage probably pay more than they can afford for housing. It also means that

they have a difficult time qualifying for home loans and property improvement loans. Low-income households have less money left for home maintenance or improvements. Many low-income families, especially larger ones, are forced to occupy overcrowded and substandard dwelling units.

39. Farmworkers

San Luis Obispo is not one of the state's major agricultural employment counties, and very little information is available concerning the employment and housing characteristics of the farmworker population.

According to the local office of the state Employment Development Department (EDD), an average of 2,360 county residents were employed as year-round farmworkers in 1980 (farmworkers include farmers, unpaid family and hired domestic workers). Year-round farmworkers are defined by the EDD as those employed in agricultural work for more than 150 days per year. The number of months worked in a year varies considerably among workers classified as year-round. Persons involved in farm labor in the county consider the EDD figure to be a significant undercount.

Unlike most agricultural counties in California, seasonal farmworkers represent a small percentage of the county's total agricultural work force. (Seasonal workers are defined by the EDD as those employed less than 150 days by the same employer.) The seasonal work force is made up of local residents as well as migrant workers from other states and counties who follow crops throughout the year. It is impossible to determine how many seasonal workers are employed throughout the year, but it is known that a majority of seasonal labor is performed by local rather than migrant workers. In 1980, a monthly average of 220 migrant workers were employed in the county. The figure is undoubtedly low because only workers employed a full week were counted. Also, the figure does not include undocumented aliens.

The housing problems of migrant workers are often severe because many have no local residence upon arrival and, therefore, must occupy whatever housing is available. Most migrant farmworkers travel with families, which makes finding adequate shelter even more difficult. Currently, no state or locally-sponsored migrant housing accommodations exist in the county, although some employers provide housing. At least 14 private labor camps exist in the county and house over 220 occupants.

The EDD predicts a slight increase in the need for farmworkers over the next two years. The cultivated acreage of most crops is expected to either increase slightly or

remain the same. Vineyard acreage (which is seasonally labor-intensive) expanded substantially during 1979 and is expected to continue increasing. Although available statistics do not suggest a need for additional migrant housing at this time, future increases in the number of seasonal workers will create the need for more migrant housing.

The housing problems of many farmworkers are directly related to their low incomes. For example, the median income of farmworkers in the county was less than one-half that of all workers according to the 1970 census. The current hourly wage paid to California hired farmworkers is \$4.32 according to the state Department of Food and Agriculture. Incomes for year-round farmworkers based on this hourly rate would range from a low of \$6,480 for 150, 10-hour days to \$12,960 for an employee working 50 weeks a year, 10 hours a day and six days a week. Many farmworkers do not have full-time positions or are limited in the number of days worked a year by weather and other conditions. The average farmworker wage, therefore, is considerably less than \$12,960 per year.

Female farmworkers generally earn less than males. A 1978 study prepared by the California Commission on the Status of Women (based on research conducted in Fresno and Imperial counties) indicates that annual female farmworker incomes are two-thirds less than those of male farmworkers. One-third of the women interviewed declared themselves heads of households.

Migrant workers generally have lower incomes than year-round farmworkers or local seasonal workers. According to the 1977 California Farmworkers' Housing Assistance Plan, a 1976 pilot survey of farmworkers in Yolo County found that permanently located families had average annual incomes approximately 30 percent higher than migrant families.

It is impossible to determine how many of the county's farmworkers are experiencing housing problems. However, families attending housing problem identification meetings in December 1979 suggested that the housing conditions of many farmworkers, specifically those working in the South County, are poor. Although many families have lived in the same community for 10 or 20 years, home ownership is out of the question, and affordable rental units are hard to find. Consequently, some farmworkers and their families occupy overcrowded, substandard housing and in most instances pay more than one-quarter of their incomes for it. Cases involving substandard living conditions, discrimination, and retaliatory eviction have been reported to a number of public agencies.

Many farmworkers share the housing needs of low income persons. Federally-funded housing programs barely touch their housing needs. Often, families have incomes too low to qualify for available programs. Some programs, such as those available from the Farmers Home Administration, have only a fraction of the funding necessary to satisfy the need. Few Section 8 program rent supplements and no public housing units are available in the unincorporated county. Because many of the county's permanent farmworkers live in communities rather than on farms or ranches, their housing needs should be considered in the design and implementation of affordable housing programs throughout the county.

40. The elderly

Following state and countywide trends, the elderly (age 62 and above) portion of the unincorporated county's population is increasing. Between April 1970 and April 1980, the percentage of seniors increased from 11.5 percent to 16 percent of unincorporated county population. The communities of Oceano, Cambria, Cayucos, Baywood Park and Los Osos contain a higher than average number of senior citizens in comparison to the remainder of the unincorporated areas.

In 1980, 13.4 percent of the county's population was over age 65, and 19.5 percent of householders were in that category. In 1980, more than 22 percent of the county's housing units were occupied by persons over 65 years of age, compared to over 25 percent in 1970. The reason for the apparent contradictions is the fact that the average household size among the elderly is lower than that of the general population. The usual size of an elderly household is one or two persons. It is not uncommon for seniors to live alone after the death of a spouse.

Not all elderly are poor, but many have low or fixed incomes. (It is impossible to determine from census data how many elderly are poor. Many have assets such as real estate, stocks, bonds or other investments which can be used in times of need.) The following table illustrates income by age and is based on information from the 1980 census.

Approximately 43.5 percent of the entire county's elderly families have low or very low incomes, compared with 24.6 percent of the non-senior families, according to 1980 census data.

Lack of financial resources intensifies many problems, including housing. Low-cost rental units that fit an elderly person's budget are often deteriorating, unsafe, or unhealthy. Many are far away from the facilities, services and public transportation that the elderly need.

FAMILY INCOME BY AGE OF HOUSEHOLDER

Income	Total	Number of Families by Age of Householder			
		15-24	25-44	45-64	65+
Less than \$2,500	1191	135	610	325	121
\$2,500 to \$4,999	1316	203	509	292	312
\$5,000 to \$7,499	2721	330	966	536	889
\$7,500 to \$9,999	3262	295	1023	680	1264
\$10,000 to \$12,499	3581	265	1399	892	1025
\$12,500 to \$14,999	3353	295	1334	874	850
\$15,000 to \$17,499	3422	249	1410	1020	743
\$17,500 to \$19,999	2921	144	1265	999	513
\$20,000 to \$22,499	2817	164	1527	779	347
\$22,500 to \$24,999	2432	48	1163	906	315
\$25,000 to \$27,499	2527	112	1289	891	235
\$27,500 to \$29,999	1872	25	879	759	209
\$30,000 to \$34,999	2618	56	1130	1131	301
\$35,000 to \$39,999	1722	27	644	880	171
\$40,000 to \$49,999	1784	25	615	942	202
\$50,000 to \$74,999	1218	17	478	584	139
\$75,000 or more	567	0	127	397	43
MEAN INCOME	\$21,458	\$13,536	\$21,023	\$26,370	\$16,609

The 1980 census indicates that 78 percent of the county's elderly households own their homes; many are owned free and clear. Most elderly homeowners are not recent home buyers, and tend to have lived in the same home for many years. Some of the housing occupied by the elderly is older and more susceptible to preservation and maintenance problems which some elderly persons may be unable to handle due to physical or financial limitations. This accelerates the housing deterioration process. Elderly homeowners on fixed incomes may find it difficult to cover the expenses of home preservation and maintenance, not to mention rapid increases in utility costs.

Many of the elderly are mobilehome residents. In 1980, 19.5 percent of elderly households lived in mobilehomes in the county. A high percentage reside in mobilehome parks. Park residents are protected from drastic space-rental increases through the Mobilehome Rent Stabilization Board. State law affords park residents protection from eviction without cause. State law also requires that residents be notified prior to hearings or actions on applications to convert mobilehome parks to other uses, and allows local government to require the applicant to mitigate any adverse impacts due to displacement of park residents.

Exact percentages of elderly persons who cannot afford their housing are not available for the county; however, the following table (from the 1977 Statewide Housing Plan prepared by the Department of Housing and Community Development) illustrates the problem at a statewide level. Information from the 1970 census understates the problem at best. According to HCD, between 1970 and 1979 median household incomes in California rose by 50 percent and median rent increased 68 percent. Low-income renters are getting further and further behind. In one-person elderly households, the median ratio of rent to income exceeded 35 percent. The median rent paid by elderly husband and wife households was 27.3 percent of income. HCD estimates that many elderly citizens who survive on social security benefits alone are spending as much as 50 percent of their income on rent. This is done at the expense of other life necessities, such as food, clothing, transportation, and medical services.

GROSS RENT AS A PERCENTAGE OF INCOME:
CALIFORNIA - 1970*
Head 65 Years and Older

Percentage of Income Spent for Gross Rent	Two-or-more Person Households				One-person Households	
	Husband & Wife	Other Head	Male Head	Female	Male	Female
Less than						
25%	45%	38%		38%	27%	13%
25-34%	22%	16%		18%	20%	14%
35%	23%	46%		44%	53%	73%
Median	27.3%	32.3%		31.8%	35%+	35%+

*Source: 1977 Statewide Housing Plan

41. Handicapped persons

Information on the number of handicapped and disabled persons within the county is inadequate to identify their housing problems and needs. The following table contains an estimate prepared by the state Department of Rehabilitation of county residents with sensory, physical or mental disorders. Although it is impossible to determine how many residents are affected by architectural barriers in housing, the 1980 census showed 9,687 people with a work disability consisting of a physical, mental or other disorder affecting their ability to work.

SAN LUIS OBISPO COUNTY
DISABLED NONINSTITUTIONAL POPULATION 16-64
YEARS OLD BY MAJOR DISABLING CONDITION
(PROJECTED - 1980)

	Population	Needing Vocational Rehabilitation Services
Sensory Disorder	2,190	500
Physical Disorder	11,300	1,180
Mental Disorder	9,510	2,140
TOTAL	23,000	3,820
Percent of population	15.33%	2.5%

(Based upon Department of Rehabilitation statewide estimate, November 1978).

Handicapped residents are faced with physical and attitudinal barriers. Physical barriers in the form of inaccessible and unusable dwelling units are created and perpetuated by attitudinal barriers. People who are not handicapped misunderstand, ignore, or are unaware of the needs of the handicapped.

Persons with physical disabilities and handicaps often experience unique housing problems. In 1977, according to the statewide Housing Plan, the average disabled person living independently received federal and state benefits of approximately \$296 per month. Without financial assistance, many handicapped persons are forced to spend in excess of 50 percent of their income for housing.

Inaccessibility of dwelling units creates serious problems. Physically handicapped persons often find themselves in a situation where an owner or landlord would gladly accommodate them, but the home or apartment is not accessible to a person in a wheelchair or persons with other mobility handicaps. Unless costly alterations are made to stairs, doorways, kitchens, closets and bathrooms, many existing dwelling units cannot be fully used by handicapped people. Inaccessibility creates a situation where the handicapped are forced to compete for housing in a very limited sector of the county's housing market.

The Department of Housing and Community Development Division of Community Affairs administers the federally funded After care Housing Program, which provides Section 8 rent-supplement assistance to mentally and physically handicapped

outpatients who are otherwise unable to afford adequate housing. As is the case with other rent supplement programs, demand for assistance exceeds the supply of financial resources. The city of San Luis Obispo's Housing Authority administers the program at the local level for residents of the city of San Luis Obispo and the unincorporated county. Four residents currently receive program benefits and 45 are on the waiting list.

42. Single parents and families with children

Household configuration has been changing nationwide within the last decade, according to the 1978 "Current Population Report" prepared by the U.S. Bureau of Census. The slowest-growing household type in the nation is the husband-wife family; the fastest-growing are one-person households, those composed of two or more unrelated individuals, and single-parent families. Between 1970 and 1978, the number of husband-wife families increased by 5.9 percent, while the number of female-headed families increased by 46 percent. Male-headed households increased 27 percent. The number of one-person households and those comprised of two or more unrelated individuals increased by 54 percent and 115 percent, respectively.

Nationally, husband-wife families have the highest median income and home ownership rate, while female-headed families and one-person households have the lowest. Housing affordability can be a severe problem for single parents who rent. Their need for space is greater than one-person households because of the presence of children, yet their ability to pay is low, especially for female-headed families. Single parents who work often arrange for child care, which can be quite expensive.

Both couples and single parents have difficulty finding rental units that will accept children. Accounts of rental discrimination concerning children have been reported in local news media and have been received by a variety of public agencies. A survey of apartments conducted by the San Luis Obispo City Community Development Department in May 1975 found that 95 percent of the dwelling units surveyed had restrictions on children. Another 1975 survey found that 82 percent of all mobilehome spaces within the city were limited to adults. Several parks allowing families were planning to convert to adult parks as families left. It is not uncommon for young families to receive eviction notices before the birth of children. Such discrimination and the county's low rental vacancy rate force families with children to compete for a relatively small number of rental units.

The California Supreme Court has decided that the 1959 Unruh Civil Rights Act, which prohibits all types of arbitrary discrimination, applies to families with children in all housing except mobilehome parks reserved exclusively for senior citizens.

Families are defined by the Census Bureau as "two or more persons living in the same household who are related by blood, marriage, or adoption". In the county's rental market, "traditional" husband-wife families and one-person households are competing for housing with as many as five unrelated individuals, one or more of whom are wage earners. A household with three or more employed persons can afford to pay more rent than the average head of household with dependents or average one-person household.

43. Need for efficient land use patterns and staged growth

Although the county Land Use Element (LUE) has allocated extensive areas within urban and village reserve lines for new houses, inefficient development presents a serious obstacle to achieving planned densities and thus the adequate housing supply envisioned in the LUE. Frequently, areas planned for single-family homes at a density of five to seven units per acre are divided and sold as "suburban" lots of 2 acres or larger. This type of "premature" land division is usually in response to a lack of community services in the area (water, sewer, roads, etc.) and the high cost to the developer of extending such services, and an immediate market for larger parcels. As a result, some areas that could accommodate many new houses are "underdeveloped" at low densities, without proper planning of homesites to anticipate later additional division of the property and accompanying new roads, utilities, drainage facilities and lot lines. The county has not actively supported solution of this problem in the past, since no detailed community or neighborhood plans have been prepared.

(Such plans would include provisions for interim development that would avoid conflicts with future planned uses.) The number of units planned in the Land Use Element thus cannot be achieved, and the cost of housing on the larger lots remains out of reach for many families.

D. CONSTRAINTS ON SOLVING HOUSING PROBLEMS

Before suggesting ways to meet specific housing needs, obstacles that may limit the effectiveness of proposed solutions should be identified and discussed. Such obstacles may be physical, economic, social or governmental. Some are created by local

conditions, making local solutions possible; others are created by regional, state or national conditions, thereby limiting the effectiveness of local programs.

Physical

Limited natural and manufactured resources can generate physical as well as economic constraints to housing solutions. In recent years, considerable attention has been focused on such natural resource shortages as water and deficiencies in manufactured resources such as sewage, school and road capacities. For example, water supply is a critical limiting factor for new development in the unincorporated coastal communities of Cambria, Cayucos and Avila Beach.

While some of these problems can be considered "correctable" because the shortages are in delivery systems and facilities rather than in natural resources, those problems involving the limited capacity of a resource itself are more serious. In such cases, solutions to the resource deficiency are significantly more difficult. In either case, resource deficiencies usually require substantial funding to correct, in amounts that can exceed the ability or willingness of local residents to pay. The net result is a never-ending game of "catch-up," where rates of growth and development outstrip the upgrading and renewal of community resources. Since most resources extend beyond political boundaries, cities, special districts and the county must work together to identify their resource capacities and how those resources relate to future growth and development.

In response, San Luis Obispo County developed the Resource Management System (RMS) as a component of the Land Use Element of the General Plan. It is intended to enable anticipating which community resources may face shortages and how the shortages can be overcome, thereby avoiding costly building moratoriums and ensuring that the necessary resources exist to satisfy future demand. (A more thorough discussion of the RMS can be found in Chapter 4, Part I of the Land Use Element).

Economics

Economic factors present a serious obstacle to the solution of housing problems. Because of rising costs, home ownership is beyond the means of many households. Increased housing costs are due to attractiveness of real estate as an investment and increased cost of land, development, construction and materials. High construction and mortgage interest rates also add substantially to the cost of housing. The costs of developing new housing in San Luis Obispo County varies from community to community because land prices vary and the costs of basic service connections depend on

local conditions, however, a typical single family residence* might involve the following costs:

Land Development	\$21,600	(26%)
Construction	39,800	(47%)
Financing	8,100	(9%)
Overhead and Profit	15,200	(18%)

Sales Price	\$84,700	(100%)
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*Source: Data supplied by a local development corporation, based on a subdivision completed in 1985.

Increasing incidence of unemployment and inflexibility of the present property tax structure also present obstacles to satisfying housing needs. Unemployment and the decrease in income for the affected households can increase demand for lower-priced housing.

The present property tax structure can discourage substantial improvement of structures because of reassessment policies.

Another economic constraint on securing approvals for new housing is that new housing costs more for local government to service than it returns in taxes. This makes it very difficult for local government to support new housing. Low-cost housing is even less attractive due to its smaller tax return.

The housing problems of low- and moderate-income households are complicated by a lack of housing stock filtering. In the past, as housing became less desirable through aging, deterioration or neighborhood change, it was passed from the more affluent to the less affluent, providing each socioeconomic level with better housing than they previously had. However, this process has been reversed by an overall increase in housing costs. Older homes are no longer inexpensive and are being bought and renovated by upper income families.

Social

Housing discrimination against racial and ethnic minorities, families and single parents with children, women, lower income persons, the elderly and the handicapped is based on prejudice and misunderstanding. Both are difficult conditions to eliminate. Complicating the problem is the fact that victims of discrimination may not know that a particular type of discrimination is illegal or do not have the ability or desire to rectify the situation.

Continuing population increases, producer and consumer perceptions of housing needs, and a decrease in the average household size are social constraints that can limit housing solutions. Many county newcomers have greater resources than existing households and can absorb a higher percentage of the available housing stock. Since the late 1960's average household size has been decreasing. Much of this decrease is due to people leaving home at an earlier age, a high divorce rate and people putting off marriage until they are older. This phenomenon translates into a substantial increase in the number of housing units needed.

Governmental

Lack of a national and state commitment to adopted housing goals is also an obstacle to solving major housing problems. Government assistance in providing housing is often inadequate or counter-productive. The state constitution requires voter approval of publicly-financed low-income housing projects. A lack of public awareness of publicly-financed housing programs imposes a serious obstacle to the passage of such ballot issues.

Housing programs and housing availability have not been universally accepted as a proper function of government. Furthermore, local government inadequacies, including insufficient funds, lack of innovation and flexibility, and intergovernmental coordination difficulties have limited solutions. Government regulations have increased the cost of housing and stymied interesting and innovative solutions to problems.

The California Legislature has delegated to local government specific responsibilities and a certain amount of discretionary authority over the development and use of land. Cities and counties influence the location, density, type, number, quality and appearance of housing units in their jurisdiction through land use controls, building codes, development review procedures, requirements, and fees. These actions, in turn, affect the cost and availability of housing not only within their boundaries but in the region as a whole. Government constraints generally may be divided into land use and development controls (such as zoning and subdivision regulations), building codes, fees and other exactions required of developers, site improvement and infrastructure requirements, and development processing and permit approval procedures.

Land use and development controls determine the amount, type, and location of housing. The primary control is the general plan. It establishes an overall framework for development and resource conservation in the unincorporated areas of the county, principally through the Land Use Element and its implementing ordinance.

The Land Use Element and Land Use Ordinance contain maps and text which set forth development requirements in the unincorporated

areas. Most of the county is rural unincorporated area, zoned for lower residential densities primarily because of public service limitations and the need to protect agricultural land and natural resources. Also, the market system which sets the price of land or housing does not operate in a vacuum. Although necessary for resource protection, low densities have a negative impact on the cost of housing because of the high land costs. It should be noted that existing residential density is subject to change as part of the General Plan update.

Finally, there are limits to the control or influence government at any level can or should place on the housing market. Because controls have the potential to cause more problems than they solve, controls must be developed and used with restraint. This restraint must be exercised at the federal, state and local levels.

Subdivision Regulations

Regulations for the design and improvement of subdivisions are contained in the county Real Property Division Ordinance and governed by the State Subdivision Map Act. The purposes of the regulations are to promote public health and safety and "to facilitate the ultimate development of the land in a manner that will be compatible with physical constraints and preservation of natural and scenic attributes." One of the effects of the regulations is to transfer the financial burden of subdivision development from county government to the developer and, ultimately, to future residents of the subdivision.

Development Processing

Developers often cite local government "red tape" and delays as reasons for the current high cost of housing. It should be noted that certain steps in the development process are required by state law rather than local regulation. Among these are:

1. Proposed developments must be found consistent with the adopted open space plan.
2. Tentative and final subdivision maps must be found consistent with the adopted general plan.
3. Building codes adoption must be adopted and enforced.
4. The county must assess the environmental effect of a project in compliance with the California Environmental Quality Act (CEQA), and then determine whether an environmental impact report, a negative declaration with mitigation measures, or a negative declaration is required.

5. The county must meet CEQA specified time requirements for public review and posting of environmental documentation.
6. The California Coastal Act of 1976 requires approval of projects in the coastal zone by the Coastal Commission until local coastal plans are certified.

The Permit Streamlining Act, also known as AB 884, requires that local jurisdictions reach a final decision on any discretionary permit request within one year from submittal or six months for projects which are exempt from CEQA or receive a negative declaration. AB 884 also requires local government to meet various interim deadlines, from initial application review to public hearing, so that the overall one-year limitation is not exceeded.

Both state and local requirements involve costs to developers (due to processing time) which are reflected in higher housing prices. Development application processing has basic processing time requirements as a result of the county's obligation to adequately evaluate projects. Virtually all development projects require some type of local approval, whether they are general plan amendments, building permits, development plans variances, or subdivisions. Most projects also must undergo the environmental review process.

With regard to the possibility of administrative approval of certain development projects, state law requires that many project decisions be made at public hearings. Subdivisions, development plans and general plan amendments must be decided at public hearing.

State law further requires that project decisions be made by a jurisdiction's legislative body. In San Luis Obispo County this body is the Board of Supervisors. The board can adopt ordinances to delegate authority to other review bodies such as the Planning Commission and Subdivision Review Board. Currently, the Board of Supervisors takes final action on projects that must be found consistent with the general plan and general plan amendments. The Planning Commission has final approval of development plans, variances and agricultural preserves. The Subdivision Review Board has final approval of all land divisions.

Several permits or reviews may be required from other county departments in addition to the Planning Department and the Environmental Coordinator. For example, County Engineering reviews projects that affect county roads, water and sewer district services, drainage or extensive grading. The county Health Department issues all well permits and establishes standards for all solid waste and waste water disposal.

Development review fees are collected by the county to pay for the processing of permit applications, a service for which funding from

other sources has diminished in recent years. These fees have increased over 200 percent since 1975 in southern California counties, according to a survey by the Construction Industry Research Board. The following table illustrates that development fees in San Luis Obispo County are not excessive when compared to other counties on the central coast of California.

COMPARISON OF SELECTED LOCAL GOVERNMENT FEES

January 1, 1986

	General Plan Amendment	Subdivision & Development Plan (100 SFR Units)
Monterey County	\$ 1,600	\$ 7,330
San Luis Obispo County	\$ 897	\$ 1,763
Santa Barbara County	\$ 2,666	\$ 4,910
Santa Cruz County	\$ 3,380	\$ 7,180
Ventura County	\$ 1,500	\$ 3,100

Note: The above fees represent initial deposits. The actual cost may be more or less, depending upon the amount of staff time needed.

The county has limited jurisdiction over incorporated cities or other state and federal agencies. The priorities of these various organizations do not always complement each other.

CHAPTER 3

POPULATION PROFILE AND HOUSING RESOURCES

CHAPTER 3

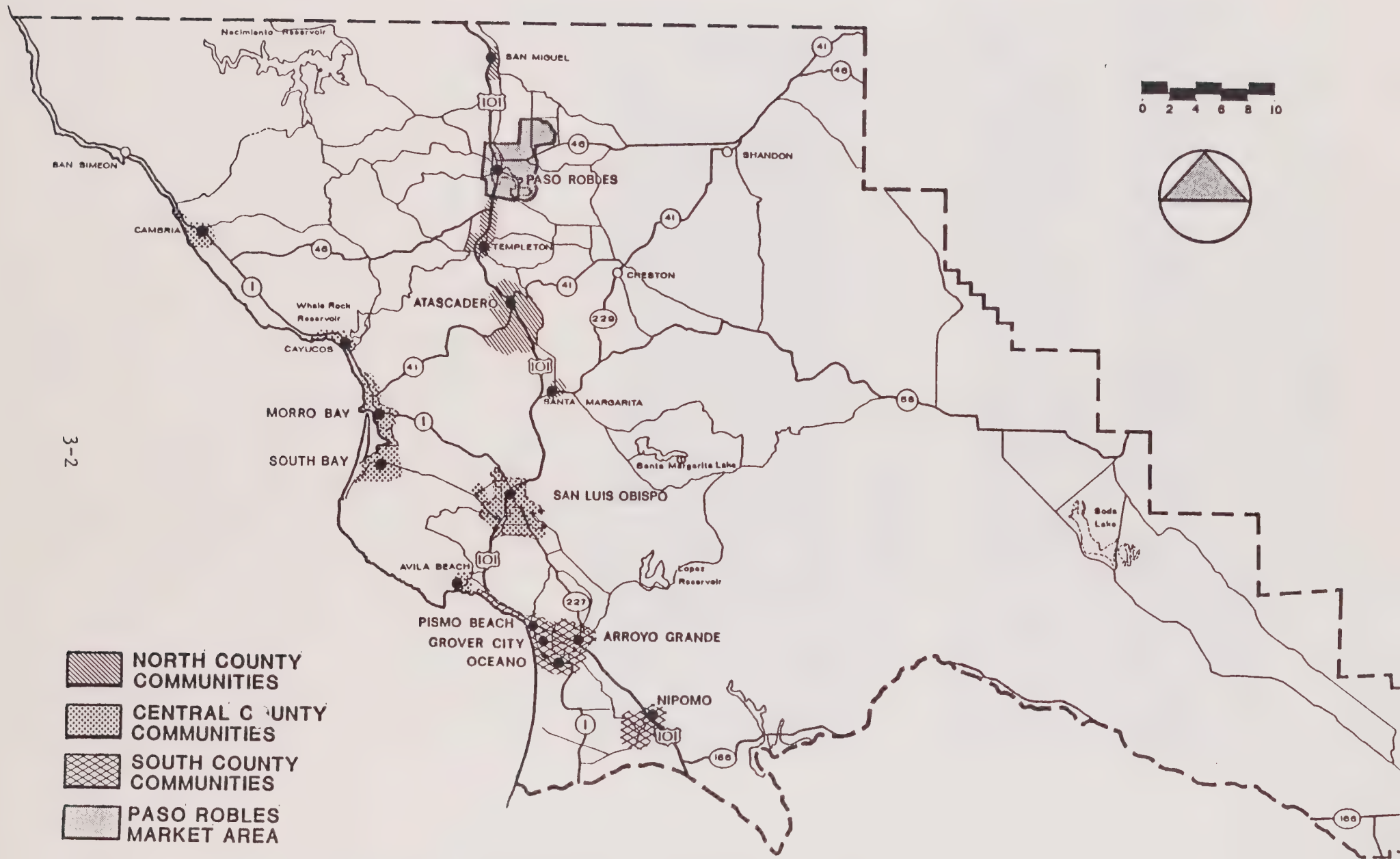
A. INTRODUCTION

Before known housing problems can be corrected, the population affected and the resources available to help solve such problems must be understood. Some problems may be reduced if planned construction projects are completed, while others may grow worse because of population growth.

This chapter describes present population characteristics and housing resources in the county, as well as what can be expected of those resources if no specific actions are taken to change the way housing problems are now handled. Chapter 4 will identify ways in which the availability of housing in San Luis Obispo County can be influenced.

B. HOUSING MARKET AREAS

A housing market area is a geographic region that functions as a single economic and social unit with respect to housing, employment and service opportunities. Understanding housing market areas is important because they describe the regions within which programs to reduce housing problems must operate. A single housing program may or may not be effective in more than one housing market area. San Luis Obispo County includes two general housing market areas. The city of Paso Robles is one market area; the remainder of the county is a separate market area. (These market areas, shown on the following map, were established in 1981 by the State Department of Housing and Community Development for the San Luis Obispo Area Coordinating Council.)



HOUSING MARKET AREAS

C. COUNTY POPULATION PROFILE

SAN LUIS OBISPO COUNTY POPULATION BY RACE AND SPANISH ORIGIN⁽¹⁾ 1980 CENSUS

	Total Pop.	White	Black	American Indian, Eskimo, Aleutian	Asian & Pacific Islander	Other Races	Spanish ⁽¹⁾ Origin
San Luis Obispo County	155,345	140,296	2,727	1,785	3,204	7,333	14,788
Incorporated Cities	94,455	86,258	1,110	1,031	2,071	3,420	7,356
Unincorporated County	54,386	49,706	494	590	902	3,259	6,563
Major Institutions	6,504	4,332	1,123	164	231	654	869
COUNTY CENSUS DIVISIONS							
<u>NORTH COAST</u> ⁽²⁾	27,939	26,477	146	232	548	536	1,304
Morro Bay*	9,064	8,634	47	96	110	177	432
South Bay	10,933	10,212	73	92	310	246	582
Cambria	3,110	3,021	5	15	37	32	100
Cayucos	2,301	2,228	7	22	17	27	78
Rural	1,963	1,867	13	7	41	35	97
<u>ATASCADERO DIVISION</u>	24,139	22,573	424	409	189	544	1,674
Atascadero*	16,495	15,082	150	262	145	291	1,015
Templeton	982	942	0	28	3	9	95
Santa Margarita	887	828	9	7	6	37	102
Atascadero State Hosp.	993	655	221	30	13	74	125
Rural	4,782	5,066	44	82	22	133	337
<u>ARROYO GRANDE DIVISION</u>	43,571	38,039	229	512	1,263	3,528	6,794
Arroyo Grande*	11,290	10,414	46	130	358	342	842
Grover City*	8,827	7,365	87	144	414	817	1,454
Nipomo	5,175	4,176	15	47	62	875	1,785
Oceano	4,551	3,524	12	73	141	801	1,415
Pismo Beach*	5,364	5,089	25	38	87	125	317
Avila Beach	963	931	2	3	11	16	47
Rural	7,401	6,540	42	77	190	552	934
<u>PASO ROBLES DIVISION</u>	17,205	15,297	540	258	149	961	1,821
Paso Robles*	9,163	8,035	300	144	116	568	1,063
San Miguel	803	725	26	27	3	22	103
Rural	7,239	6,537	214	87	30	371	655
<u>SAN LUIS</u> ⁽²⁾							
<u>OBISPO DIVISION</u>	42,491	37,910	1,388	374	1,055	1,764	3,195
San Luis Obispo*	34,252	31,639	455	217	841	1,100	2,233
Calif. Men's Colony	2,515	1,120	815	118	26	436	572
Cal Poly	2,996	2,557	87	16	192	144	172
Rural	3,296	3,109	32	23	29	103	233

* Incorporated City

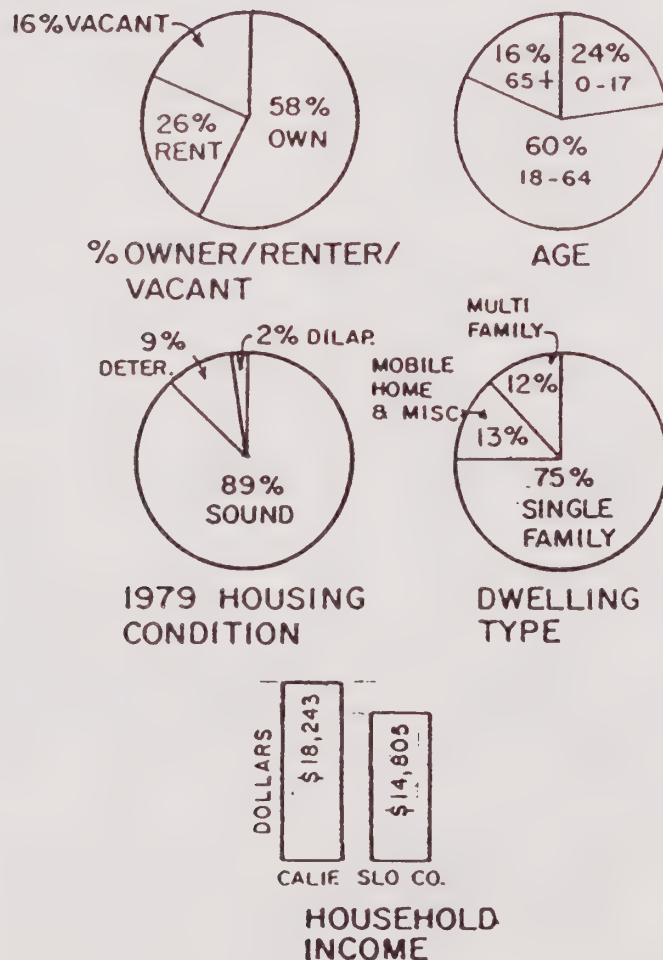
(1). Persons of Spanish origin are counted in "Spanish Origin" regardless of race. Therefore, the sum of the totals for the five race categories, excluding the total for "Spanish Origin", adds to total population. 1980 Race/ethnic totals are not comparable to 1970 totals.

(2). North Coast and San Luis Obispo Division component totals do not add correctly. The Census Bureau placed 568 persons and 207 housing units located in the Prefumo Canyon area of the city of San Luis Obispo within the North Coast Division. Figures for the communities and cities are accurate, however.

D. COMMUNITY PROFILES

The following pages contain diagrams that summarize facts about the population and kinds of housing (based on the 1980 Census and the 1979 county housing condition survey) in each of the unincorporated communities and rural areas of the county. This information compares the social, economic and housing conditions of the communities, as well as identifying the housing programs that should be emphasized in each.

Total Unincorporated County



NOTE: "vacant" includes vacant for sale or rent; rented or sold, awaiting occupancy; held for occasional use; and other vacant.

Avila Beach:

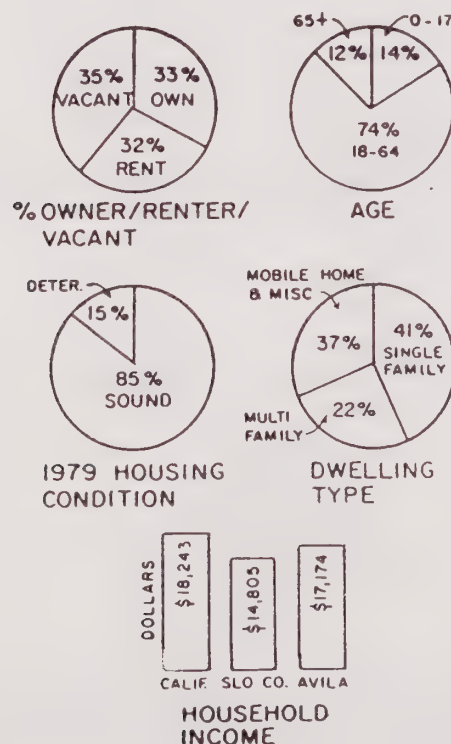
With a 1983 population of approximately 1060, Avila Beach contains a high percentage of young, single people. A long-term water shortage has severely limited new construction. The limited amount of single-family housing reflects the type of people who enjoy this casual coastal community.

Additionally, the community's high median income relative to the rest of the county is a significant change from 1976. The median income in 1976 was \$6.825; by 1979 it had risen to \$17.174.

Regardless of statistics, very few local residents want to see changes in Avila Beach. Any programs that may seem helpful should be considered carefully to insure preservation of the community character. Avila should also be considered as a prime community for rental housing if more water becomes available.

The following types of programs should be considered in Avila Beach:

- Discourage conversion of housing to non-residential uses
- Grants and low-interest loans for housing maintenance
- Reduce deterrents to multi-family housing
- Resource management system
- Restrictions on conversions of rentals and mobilehome parks



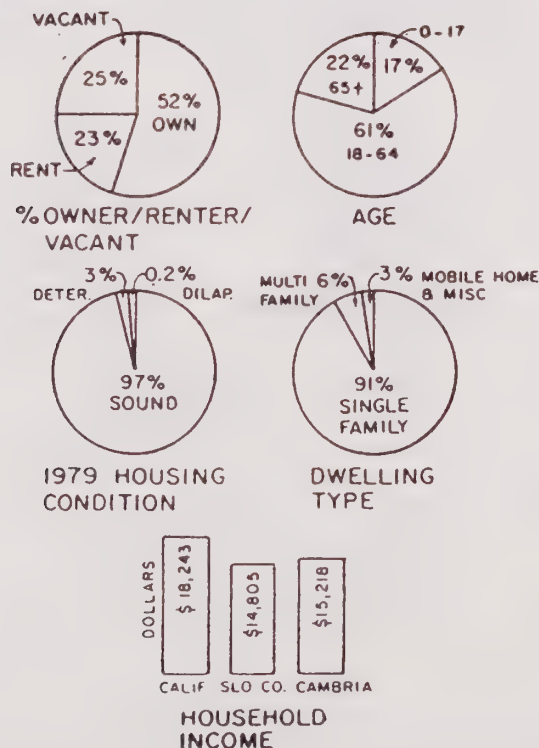
NOTE: "vacant" includes vacant for sale or rent; rented or sold, awaiting occupancy; held for occasional use; and other vacant.

Cambria:

With approximately 3,530 people in 1983, Cambria has grown faster than the county average during the past 10 years. Because of its lack of local employment opportunities and distance from other job areas, the community has many attracted retired people and younger families who are self-employed. Housing is in very good condition, with a high percentage of single family and owner-occupied units. The unusually large number of vacant, individually-owned lots in Cambria creates a high potential for owner-built housing, however, new development is limited because of quotas on new permits imposed by the Coastal Commission and the need to augment existing community water supplies.

The following types of programs should be emphasized in Cambria:

- . Owner-built housing
- . Consumer education
- . Resource management system
- . Housing advisory service



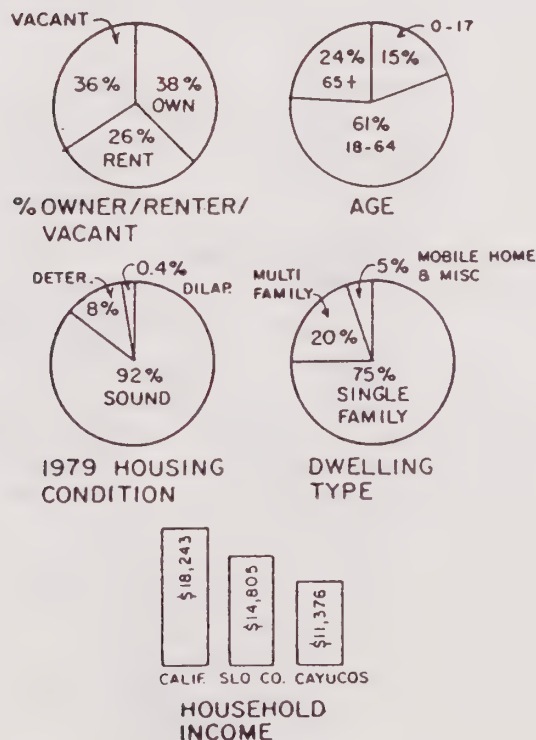
NOTE: "vacant" includes vacant for sale or rent; rented or sold, awaiting occupancy; held for occasional use; and other vacant.

Cayucos:

This community of 2,470 people has attracted a large number of retired people who enjoy the small-town coastal setting. The 1980 census indicated a low percentage of home-owners, although Cayucos has a higher than average share of single-family residences. Most of this can be attributed to owners who use the homes for vacations and rent them during the winter. Although Cayucos has a large number of older homes, overall housing conditions are very good. The lower than average income level also reflects the large percentage of retired persons with incomes generally lower than working families. New housing development is temporarily limited until additional water supply capacity can be developed.

The following types of programs should be emphasized in Cayucos:

- Consumer education
- Resource management system
- Encouragement of cooperative apartments



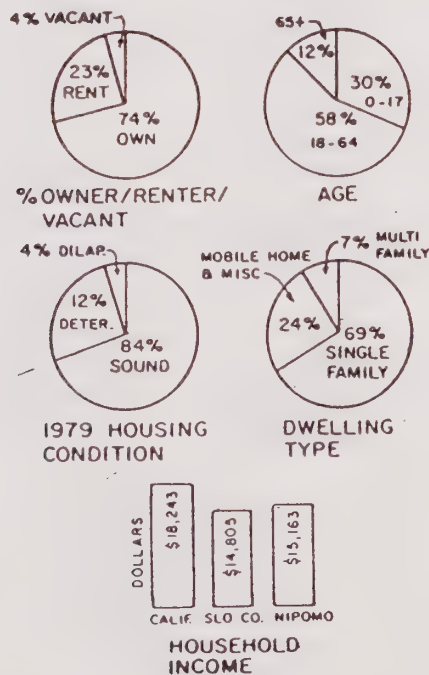
NOTE: "vacant" includes vacant for sale or rent; rented or sold, awaiting occupancy; held for occasional use; and other vacant.

Nipomo:

Despite problems with several years of partial building moratoriums resulting from inadequate water and sewerage facilities, the town of Nipomo has had a relatively high growth rate over the past 10 years. Its 1983 population was 5,640. According to the 1980 census, much of this growth can be attributed to workers in northern Santa Barbara County being attracted to the relatively plentiful and inexpensive building sites in this community. The percentages of available vacant and sound housing are lower than the unincorporated county average. Positive efforts are being made to resolve the water and sewage issues so that other programs can proceed.

The following types of programs should be emphasized in Nipomo:

- . Owner-built housing
- . Reduction of urban sprawl
- . Housing advisory service
- . Grants and low interest loans for housing maintenance and rehabilitation
- . Limited equity cooperative housing



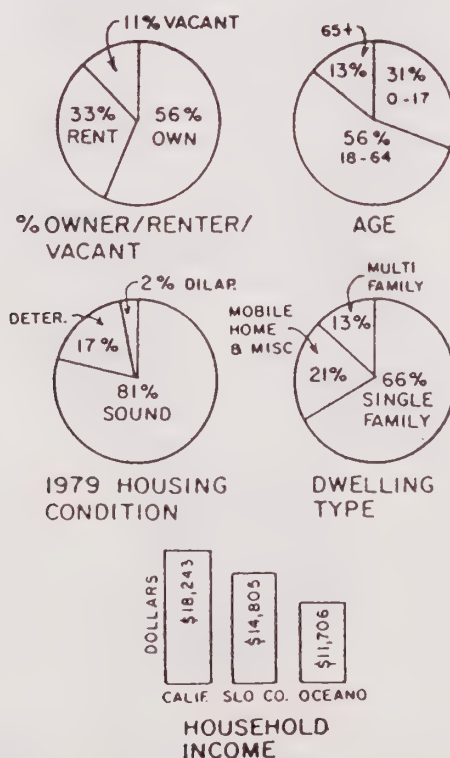
NOTE: "vacant" includes vacant for sale or rent; rented or sold, awaiting occupancy; held for occasional use; and other vacant.

Oceano:

The large number of available and inexpensive building sites has encouraged a fairly high rate of growth in this community of 5,050. Housing is the most affordable of any community that has full services and is within reasonable distance of job markets. The town contains a large number of elderly as well as a large supply of older houses in need of maintenance. Although the percentage of single-family houses is lower than the entire unincorporated county, this category still makes up two-thirds of all units. The low median income in Oceano makes adequate housing maintenance difficult. Accordingly, the county utilized Community Development Block Grant funds to rehabilitate 41 deteriorated single family homes occupied by low income households; this program was completed in 1985. Because of the availability of lower-cost lots, owner-builder programs as well as programs encouraging rental and ownership housing maintenance for lower income families should be of highest priority.

The following types of programs should be emphasized in Oceano:

- . Consumer education
- . Housing advisory service
- . Grants and low interest loans for housing maintenance
- . Limited equity cooperative housing



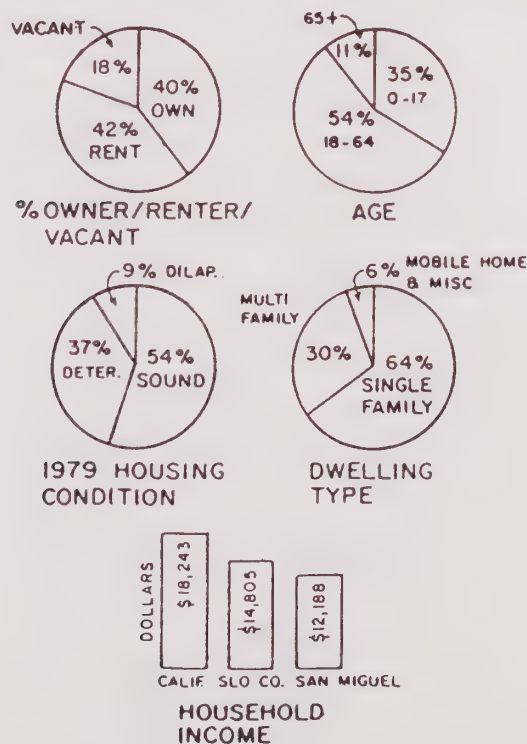
NOTE: "vacant" includes vacant for sale or rent; rented or sold, awaiting occupancy; held for occasional use; and other vacant.

San Miguel:

San Miguel is a town of about 840 people that has had few jobs and little growth in the past 10 years. The availability of jobs and reasonably priced housing in nearby Paso Robles has satisfied most of the pressure for affordable housing in this part of the county. Increasing jobs in the many new vineyards around San Miguel may create more housing demand in the future. Although there is an unusually high percentage of renters and unsound housing in San Miguel, a sense of community exists which should be encouraged. The county has obtained funding through the Community Development Block Grant Program for the rehabilitation of 25 deteriorated homes occupied by low income households in this community.

The following types of programs should be emphasized in San Miguel:

- . Owner-built housing
- . Consumer education
- . Low-interest loan fund
- . Housing advisory service
- . Grants and low-interest loans for housing maintenance and rehabilitation



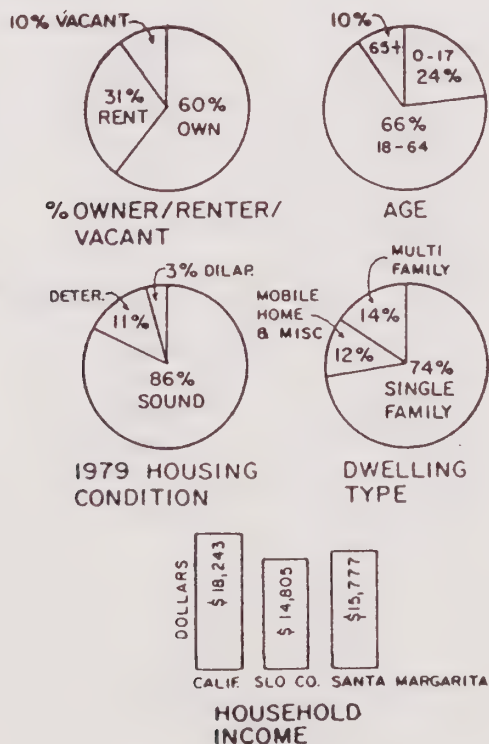
NOTE: "vacant" includes vacant for sale or rent; rented or sold, awaiting occupancy; held for occasional use; and other vacant.

Santa Margarita:

Santa Margarita is a community of about 950 people that has experienced limited growth due to persistent problems with sewage and drinking water. Although its location near San Luis Obispo could make it desirable for working-family housing, community resource problems are not likely to be resolved within the next five years. The median household income is higher than the rest of the county. Until new growth can be accommodated, preservation of existing housing should be stressed. A more permanent solution to the resource problems should be implemented.

The following types of programs should be emphasized in Santa Margarita:

- Consumer education
- Resource management system
- Low-interest loan fund
- Provision of energy-efficient housing
- Grants and low interest loans for housing maintenance and rehabilitation



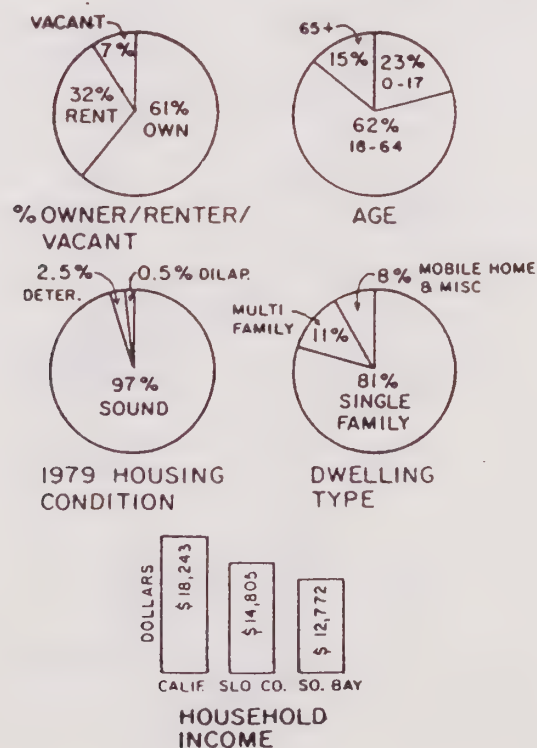
NOTE: "vacant" includes vacant for sale or rent; rented or sold, awaiting occupancy; held for occasional use; and other vacant.

South Bay:

This community of 12,770 has been the fastest-growing area in the county for the past 14 years. Partly due to this rapid growth, housing is in very good condition and includes a higher-than-average percentage of single-family units. The owner-renter distribution of South Bay is similar to the unincorporated county as a whole, although the median income is lower. A lack of rental units and employment has discouraged residency by very low-income families. Rapid growth has created problems with the availability of adequate roads, schools and water. These shortages may slow the growth of this community and make affordable housing programs more difficult to implement.

The following types of programs should be emphasized in South Bay:

- . Owner-built housing
- . Resource management system
- . Increase in density for multi-family areas
- . Housing advisory service
- . Reduce deterrents on multi-family housing
- . Limited equity cooperative housing



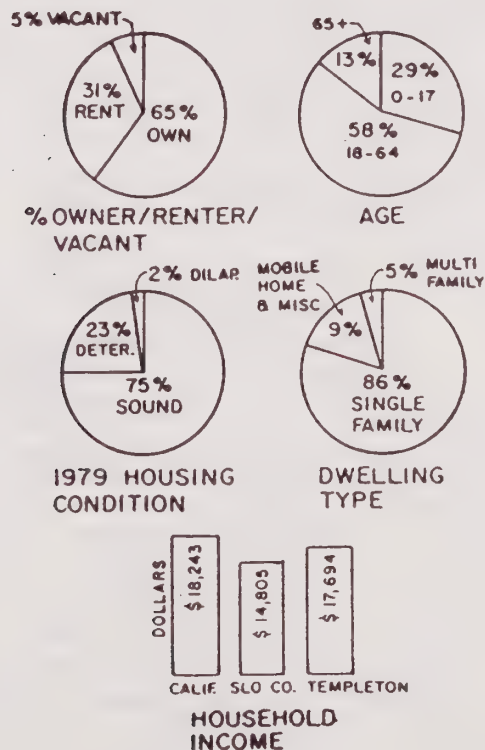
NOTE: "vacant" includes vacant for sale or rent; rented or sold, awaiting occupancy; held for occasional use; and other vacant.

Templeton

After a number of years under a building moratorium, Templeton has a population of about 1,340 people in the past several years. The community housing stock has a higher percentage of owner-occupants and single-family units than the remainder of the county. It also has a higher percentage of less-than-standard housing. Although the median income in Templeton is higher than the county median, the availability of land, services and nearby jobs would suggest that programs aimed at assisting moderate income working families would be appropriate.

The following types of programs should be emphasized in Templeton:

- . Resource management system
- . Low-interest loan fund
- . Grants and low-interest loans for housing maintenance and rehabilitation
- . Limited-equity cooperative housing
- . Owner-built housing



NOTE: "vacant" includes vacant for sale or rent; rented or sold, awaiting occupancy; held for occasional use; and other vacant.

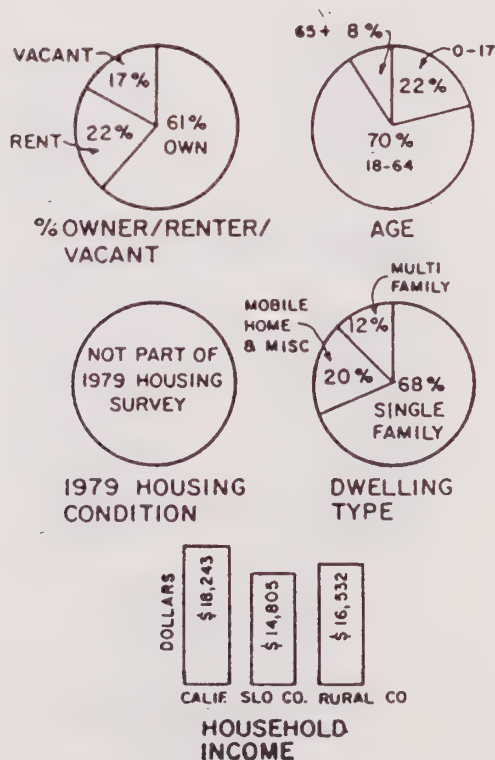
Rural Areas of the County

Approximately 21% of the people living in San Luis Obispo County reside outside incorporated cities and unincorporated communities. Although the plan does not actively encourage new rural residential development, many programs can benefit rural residents.

Owner-occupied housing represents a higher percentage of the total stock in rural areas. The median income of residents is also generally higher.

The following types of programs should be emphasized in rural areas:

- . Owner-built housing
- . Consumer education
- . Provision of energy-efficient housing
- . Housing advisory service



NOTE: "vacant" includes vacant for sale or rent; rented or sold, awaiting occupancy; held for occasional use; and other vacant.

E. EXISTING HOUSING SUPPLY

This section presents an overview of unincorporated county housing supply in terms of housing unit type, owner-renter distribution, condition, vacancy rate, and housing construction activity. The following narrative is based upon the 1980 federal census, 1976 Special Census, building permit data, and the 1979 Housing Condition Survey.

Housing Unit Types

The basic measure of housing supply is the dwelling unit: single-family dwelling, multiple-family unit (apartment) or mobilehome. Although the single-family home continues to be the preferred type of residence for most people, the following table indicates that the mobilehome has become a popular alternative.

HOUSING UNITS BY TYPE - UNINCORPORATED COUNTY
(Numbers and percentages of all units)

Year	Single Family (Other than Mobilehome)		Multiple Family		Mobilehome	
1970	10,079	(87.3%)	543	(4.7%)	924	(8.0%)
1976	17,325	(75.9%)	1,547	(6.8%)	3,958	(17.3%)
1980*	19,995	(72.7%)	3,638	(13.2%)	3,869	(14.1%)
1981	18,112	(70.3%)	3,309	12.8%)	4,351	(16.9%)
1982	19,006	(70.7%)	3,305	(12.3%)	4,572	(17.0%)
1983	19,315	(70.5%)	3,311	(12.1%)	4,769	(17.4%)
1984	19,714	(70.7%)	3,361	(12.1%)	4,793	(17.2%)
1985	20,454	(71.0%)	3,511	(12.2%)	4,831	(16.8%)

Source: 1970, 1980 Censuses
1976 Special Census
1981-1985 Department of Finance Estimates

* Differences between 1980 Census data and later estimates by the Department of Finance reflect different methodologies of data collection and interpretation.

Mobilehomes will likely continue to increase as a share of the unincorporated housing stock. This assumption is based on past trends and current housing market conditions. Single-family housing costs, both for new construction and resale, have been rising faster than household incomes. High construction and financing costs, in addition to perceived poor investment qualities, have also reduced multiple family rental construction. Since most rental housing construction occurs in the incorporated cities, relatively few units have been built in the unincorporated areas of the county. Recent mobilehome appearance and design improvements, coupled with changing local land use regulations are increasing their attractiveness as affordable housing.

Owner-Renter Distribution

Historically, the unincorporated areas of the county have had more owner than renter households. In 1980, 60 percent of county households owned their homes. The following table illustrates the owner-renter distribution by community according to the 1980 census.

OWNER - RENTER - VACANT HOUSING FOR 1980

COUNTY CENSUS DIVISIONS	OWNER PERCENT	RENTER PERCENT	VACANT PERCENT
NORTH COAST DIVISION	50.69	31.30	18.01
Morro Bay*	44.88	36.02	19.09
South Bay	61.15	31.52	7.33
Cambria	52.32	23.12	24.56
Cayucos	37.74	25.96	36.30
Rural	51.40	30.70	17.90
ATASCADERO DIVISION	64.69	26.05	9.26
Atascadero*	64.44	27.54	8.02
Templeton	64.51	30.57	4.92
Santa Margarita	59.56	30.64	9.80
Atascadero State Hospital	0.00	100.00	0.00
Rural	68.50	17.59	13.91
ARROYO GRANDE DIVISION	57.33	32.51	10.16
Arroyo Grande*	64.81	28.78	6.41
Grover City*	44.83	43.63	11.54
Nipomo	73.60	22.53	3.88
Oceano	56.18	33.31	10.50
Pismo Beach*	43.06	38.42	18.53
Rural	68.80	22.79	8.40
PASO ROBLES DIVISION	50.37	31.55	18.08
Paso Robles*	49.80	41.29	8.91
San Miguel	40.23	41.69	18.08
Rural	52.08	18.96	28.96

OWNER - RENTER - VACANT HOUSING FOR 1980 - (CONTINUED)

COUNTY CENSUS DIVISIONS	OWNER PERCENT	RENTER PERCENT	VACANT PERCENT
SAN LUIS OBISPO DIVISION	44.48	48.56	6.96
San Luis Obispo*	43.89	50.41	5.70
Avila Beach	33.47	31.96	34.57
California Mens Colony	0.00	100.00	0.00
Cal Poly	42.86	57.14	0.00
Rural	65.59	29.55	4.86
<hr/>			
TOTAL COUNTY	52.98	35.12	11.91
TOTAL UNINCORPORATED	58.10	26.12	15.78

*Incorporated City

Source: 1980 census

Housing Condition

A housing condition survey was conducted in the spring and fall of 1979. It examined exterior the condition of approximately 62 percent of the unincorporated county's 21,105 dwellings (single- and multi-family dwellings and mobilehomes). The survey found that 89.6 percent of surveyed units were sound; 8.7 percent were deteriorating; and 1.6 percent were dilapidated. The table on page 3-18 contains the results of the 1979 survey.

When viewed on a planning area or countywide basis, the number of less-than-sound housing units surveyed appears quite small; however, when communities are viewed individually, the survey results are more significant.

At least 10 percent of existing housing units are deteriorating in the communities of Creston, Garden Farms, San Miguel, Santa Margarita, Templeton, Avila Beach, Oceano, O'Connor, Shandon, Whitley Gardens, and Nipomo. Although the level of deterioration varies, most units can be rehabilitated. Without rehabilitation action, these units will become dilapidated and eventually lost as a housing resource.

Even though a high percentage of unincorporated area housing units are in good condition, they need continuous maintenance and repair. After approximately 20 years, such activities are vital components of housing preservation. The age of a structure does not necessarily indicate its condition, but rather its relative need for maintenance. The following table illustrates that approximately 38 percent of the county's housing stock is over 20 years old.

AGE OF OCCUPIED HOUSING
SAN LUIS OBISPO COUNTY*

<u>Age (years)</u>	<u>April 1980 Housing Units</u>
Under 10	23,802 (40.9%)
10-20	12,455 (21.4%)
20-30	9,417 (16.2%)
30-40	5,530 (9.5%)
40 +	7,000 (12.0%)
<u>TOTAL UNITS</u>	<u>58,204</u>

*Information based on the 1980 census,
occupied units only.

SURVEY OF HOUSING CONDITIONS IN UNINCORPORATED
COMMUNITIES OF SAN LUIS OBISPO COUNTY

<u>COUNTY UNINCORPORATED COMMUNITIES</u>	<u>SOUND UNITS</u>	<u>DETERIORATED UNITS</u>	<u>DILAPIDATED UNITS</u>
<u>El Pomar-Estrella Planning Area</u>			
Creston	19 (55.9%)	9 (26.5%)	6 (17.6%)
	19 (55.9%)	9 (26.5%)	6 (17.6%)
<u>Estero Planning Area</u>	5734 (95.6%)	240 (4.0%)	27 (0.4%)
Cayucos	1447 (91.5%)	127 (8.0%)	7 (0.4%)
South Bay	4287 (97.0%)	113 (2.6%)	20 (0.5%)
<u>North Coast Planning Area</u>	1863 (97.3%)	49 (2.6%)	3 (0.2%)
Cambria	1747 (97.1%)	49 (2.7%)	3 (0.2%)
San Simeon Acres	116 (100%)	0	0
<u>Salinas River Planning Area</u>	785 (70.7%)	275 (24.8%)	50 (4.5%)
Garden Farms	50 (69.4%)	22 (30.6%)	0
San Miguel	203 (54.4%)	138 (37.0%)	32 (8.6%)
Santa Margarita	266 (85.9%)	34 (11.0%)	10 (3.2%)
Templeton	266 (74.9%)	81 (22.8%)	8 (2.3%)
<u>San Luis Bay Planning Area</u>	1258 (81.4%)	261 (16.9%)	27 (1.7%)
Avila Beach	154 (85.1%)	27 (14.9%)	0
Oceano	1104 (80.9%)	234 (17.1%)	27 (2.0%)
<u>San Luis Obispo Planning Area</u>	207 (82.8%)	38 (15.2%)	5 (2.0%)
Los Ranchos-Edna	163 (92.1%)	12 (6.8%)	2 (1.1%)
O'Connor	44 (62.8%)	26 (37.1%)	3 (4.2%)
<u>Shandon-Carrizo Planning Area</u>	171 (75.3%)	43 (18.9%)	13 (5.7%)
Shandon	96 (73.3%)	27 (20.6%)	8 (6.1%)
Whitley Gardens	75 (78.1%)	16 (16.7%)	5 (5.2%)
<u>South County Planning Area</u>	1729 (84.6%)	233 (11.4%)	81 (4.0%)
Nipomo	1162 (84.0%)	165 (11.9%)	56 (4.0%)
Nipomo Mesa	567 (85.9%)	68 (10.3%)	25 (3.8%)
<u>Total</u>	<u>11766 (89.6%)</u>	<u>1148 (8.7%)</u>	<u>212 (1.6%)</u>

*NOTE: This data is the most recent available; newer data will be incorporated into this table once a survey is completed during the summer of 1986.

Vacancy Rates

Vacancy rates are indicators of housing availability. When vacancy rates are high, there is an adequate supply of housing; consequently prospective owners and renters have a wider variety of choice. With fewer vacancies, the choice of housing is conversely limited; demand for housing exceeds supply and contributes to increases in cost.

Extreme vacancy rates can create problems ranging from a critical housing shortage if vacancy rates are too low, to the income loss and maintenance problems associated with high vacancy rates. In order to assure adequate choice and availability of housing, while balancing the market for landlords and sellers, the "desirable" rates of vacancy would range between 4-6% for rental units and 1-3% for owner occupied units (according to Federal Housing Administration standards).

It is important to understand that available vacant housing consists of dwelling units that are either for sale or rent. Unavailable vacant housing consists of second homes and vacation homes with owners' permanent residences located elsewhere. This type of housing is more prevalent in the coastal communities.

County vacancy rates dropped from 14.7% in 1960 to 9.6% in 1970. This figure was even lower for the unincorporated areas, which had a 7.1% vacancy rate in 1970. The 1980 census indicated a 11.9% vacancy rate for the county, which is higher than the 1970 figures. However, this number is misleading until the large number of non-available vacant housing is taken into consideration. The vacant available units in 1980 were 3.7% of the year-round housing units (Lake Nacimiento being a prime example of second homes not for rent).

The table on page 3-16 represents the levels of vacancy by geographic area, based on 1980 census data. A close look at the table indicates a high vacancy factor in the coastal communities, particularly in Cayucos (36.3%), Cambria (24.6%), and Avila Beach (34.6%). A notable exception to this trend is South Bay, which has a lower vacancy rate (7.33%). Extremely high vacancy rates are evident at Lake Nacimiento due to the predominance of second homes. Low vacancy rates, indicative of a tight housing market, are prevalent in the South County, San Luis Obispo, and San Luis Bay planning areas.

New Housing Construction

During the past decade, 12,823 new housing units were added to the unincorporated county housing stock, an increase of 109 percent. Construction activity between 1970 and 1980 was almost equally divided among unincorporated communities (52 percent of new units) and rural areas (48 percent of new units). The table on page 3-21 illustrates total unincorporated county housing growth as well as

individual community growth that occurred between 1970 and 1980. For example, the South Bay community experienced a 216 percent increase in housing, which represented 25 percent of total unincorporated county growth and accounted for 49 percent of all growth that occurred in communities.

Yearly housing construction activity in the unincorporated county varied considerably during the last decade and will probably continue to vary.

Decisions affecting housing construction represent the cumulative decisions of many people. Builders, developers, bankers, families and individuals, and government agencies make decisions about the kind, location and cost of housing. Their decisions in turn are influenced by many events outside of San Luis Obispo County including: general housing trends, the national economy (tight credit and high interest rates), federal and state government decisions, and population movements.

Building permit activity provides important information on a yearly basis regarding the construction of housing. It is important to note that this data concerns the number of permits issued, not the number finalized (some homes for which permits are issued are never built; it is estimated that roughly 80 percent of the homes for which permits are issued are actually finalized).

Building permit activity within the unincorporated county is contained in the graph on page 3-22. The shaded area of each bar in the graph represents permits issued for single family residences, while the unshaded portion represents duplexes, apartments and motels.

As the graph indicates, building activity in the unincorporated county has varied considerably from year-to-year. Activity increased sharply between 1970 and 1973, then dropped between 1974 and 1975 due to economic recession. Production increased in 1976 and 1977, only to fall in 1979 as a result of the Federal Reserve Board's decision to tighten credit and increase interest rates. Tight credit, high construction and mortgage interest rates continued to affect construction levels into 1983, with an apparent resurgence of activity in late 1983, continuing into 1984. This trend in the 80's is shown in the table on page 3-22. This table is used to show completed dwelling units to more accurately reflect the county's housing situation.

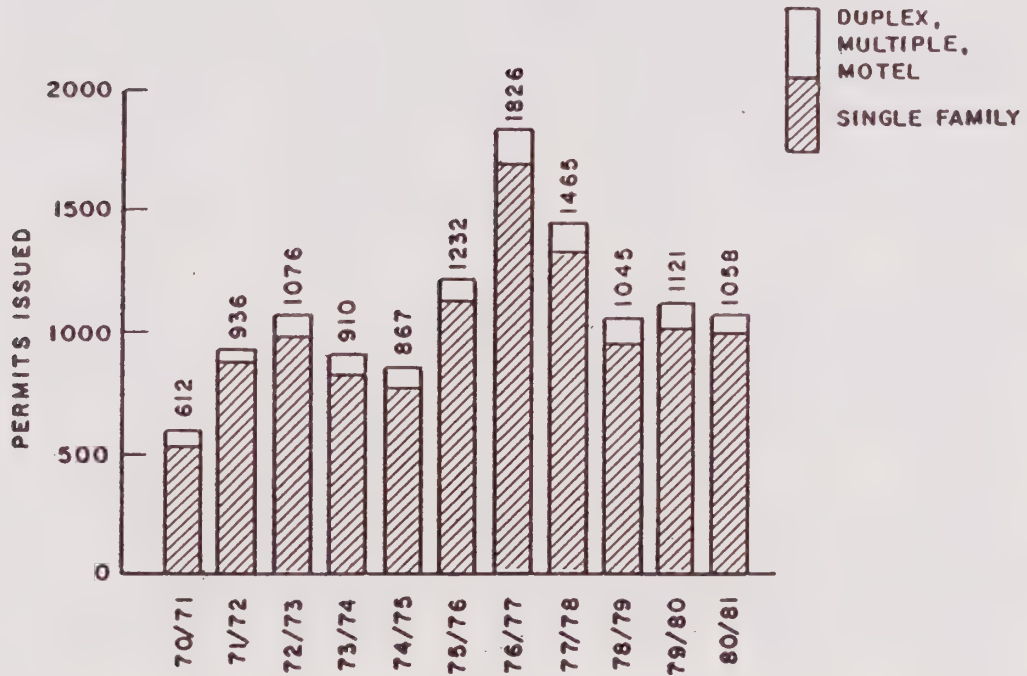
HOUSING UNIT GROWTH BY UNINCORPORATED COMMUNITY
1970-80

	1970	1980	Growth 70-80	Overall Growth 70-80 (Percent)	Share of total Growth 70-80 (Percent)	Urban Growth 70-80 (Percent)
(By No. of Dwelling Units)						
Total Uncorp. County*	11,746	24,569	12,823	109.16%	100.00%	-
Avila	202	250	48	23.76%	0.37%	0.71%
Cambria	1,037	1,889	852	82.16%	6.64%	12.68%
Cayucos	1,218	1,877	659	54.10%	5.13%	9.81%
Nipomo	974	1,709	735	75.46%	5.73%	10.93%
Oceano	956	1,649	693	72.48%	5.40%	10.31%
San Miguel	310	419	109	35.16%	0.85%	1.62%
Santa Margarita	262	417	155	59.16%	1.20%	2.31%
South Bay	1,517	4,807	3,290	216.87%	25.65%	49.00%
Templeton	272	450	178	65.44%	1.30%	2.65%
Rural	4,998	11,102	6,104	122.12%	47.60%	-

* Excludes Atascadero, incorporated 1979.

Source: 1970 and 1980 U.S. Census Data

NUMBER OF BUILDING PERMITS ISSUED IN THE
UNINCORPORATED COUNTY



SUMMARY OF COMPLETED RESIDENTIAL PERMITS

DATE	SINGLE FAMILY	DUP.	TRI	4 OR MORE	TOTAL PERMITS	TOTAL UNITS	ANNUAL GROWTH RATE
4/1/80 - 12/31/81*	595	22	5	1	623	707	1.7%
1/1/82 - 12/31/82	323	1	—	1	325	329	1.3%
1/1/83 - 12/31/83	423	4	2	9	438	473	1.8%
1/1/84 - 12/31/84	752	13	4	20	789	902	3.5%
1/1/85 - 12/31/85	890	21	4	38	953	1,119	3.9%

* 20 month period

F. COUNTY HOUSING NEEDS

Although the high cost of housing affects all county residents, the impact is greatest on households at the lower end of the income range since they tend to be the most in need of housing assistance.

Lower-income households are those with an annual income of less than 80% of the county median income. In 1984, the median annual income in the county was \$24,000 for a family of four (80% of median = \$19,200).

Housing need may be defined in several ways. The Federal Department of Housing and Urban Development (HUD) defines households in need as low- and moderate-income families with one or more of the following conditions:

1. Overcrowding: Families with more than two persons per bedroom are considered to be living in overcrowded conditions.
2. Substandard housing: According to the 1979 housing condition survey of unincorporated communities, houses with minor structural problems were classified as deteriorating and those with major structural problems as dilapidated.
3. Overpayment: Households paying more than 30% of their income in rent are considered to be living in housing that is too expensive.

Although information is available on overcrowding and substandard housing for the county, there is no way of comparing that information to income. However, overcrowding and substandard housing are considered problems regardless of income and are addressed by the housing programs.

Estimates prepared by the State Department of Housing and Community Development are available for the number of lower-income families that pay more than 25% of their income for housing. This amounts to 5,400 families or about one-fourth of all families in the unincorporated county.

The following chart breaks this down according to need, based on statewide averages.

	<u>OWNER</u>	<u>RENTER</u>	<u>TOTAL</u>
Lower income households paying more than 25% of family income for housing.	1674	3725	5400

Special Needs

The housing needs of special groups (such as the handicapped, elderly, large families, farm workers, ethnic and racial minorities and single parent households) are discussed as individual problems in Chapter 2.

Needs of New Families

The State has projected that 9,820 more households will live in San Luis Obispo County by 1989 than in 1984. Of these, 5,254 probably will live in unincorporated areas of the county. To assure that each political jurisdiction (the cities and the county itself) can provide a reasonable share of needed housing in all income categories, the San Luis Obispo Area Coordinating Council forwarded the following Fair Share Plan prepared by the State Department of Housing and Community Development for inclusion in the Housing Element. The numbers and percentages shown were used in developing the housing strategy and will provide general guidelines to assess the effectiveness of county and city housing programs.

SAN LUIS OBISPO FAIR SHARE HOUSING ALLOCATION PLAN

The revised Fair Share Plan:

1. Uses January 1, 1984, as the base date for the plan with Department of Finance household estimates used. The household numbers are broken down into four income groups for cities and the county. The income group percentages were taken from the 1978 plan prepared by the San Luis Obispo County and Cities Area Planning and Coordinating Council, except that several city figures were corrected based on review of 1980 census data, with corresponding corrections to the countywide figures.
2. Household projections are provided for 1989, 1990, 1991, and 1992. These were based on California State Department of Finance projections for countywide growth. Each jurisdiction's share of the countywide growth was based on the assumption that there will be a continuation of the household growth that occurred between 1978 and 1984.
3. The county unincorporated figures are not broken down into sub-areas since they are all in the same housing market and jurisdiction. The county will, of course, consider a geographical distribution of needs, just as cities do, in implementing its housing programs.
4. The plan is a "modified same share" plan. The State determined some cities were more attractive for the elderly and especially lower income elderly. "Same share" means that all the cities and the county unincorporated allocation figures are the same as the countywide estimates. Paso Robles was not included in the "same share" allocation, because it is viewed by the State as being a separate housing market area. Consequently, the projected income group percentage breakdowns for Paso Robles are the same as the 1984 estimates for that city.

Definitions of Income Groups:

Very low income	The income limit for a four person household can not exceed 50% of the annual county median income (1984 family of four = less than \$12,000).
Other lower income	Income above the "very low income" but not exceeding 80% of the county median income (1984 family of four = \$12,000-\$19,200).

Moderate income

Income above "other lower income" but not exceeding 120% of the county median income (1984 family of four = \$19,200-\$28,800).

Above moderate income

Income above the "moderate income" limits (1984 family of four = more than \$28,800).

SAN LUIS OBISPO COUNTY

Estimated Households on January 1, 1984 by Income Group

and

Projected Households on July 1, 1989 through July 1, 1992 with Income Group Allocations

Area	Income Group	Households					Percentages	
		1984	1989	1990	1991	1992	1984	1989-1992
Arroyo Grande	Very Low	1,156	1,332	1,358	1,384	1,411	24	25
	Other Lower	578	799	815	831	846	12	15
	Moderate	1,060	1,066	1,086	1,108	1,129	22	20
	Above Moderate	2,023	2,132	2,173	2,215	2,257	42	40
	Total	4,817	5,329	5,432	5,538	5,643	100	100
Atascadero	Very Low	1,356	1,859	1,909	1,959	2,010	21	25
	Other Lower	646	1,116	1,145	1,175	1,206	10	15
	Moderate	1,421	1,487	1,527	1,567	1,607	22	20
	Above Moderate	3,035	2,975	3,054	3,135	3,215	47	40
	Total	6,458	7,437	7,635	7,836	8,038	100	100
El Paso de Robles	Very Low	1,285	1,666	1,743	1,822	1,900	28	28
	Other Lower	596	774	810	846	883	13	13
	Moderate	1,055	1,368	1,432	1,496	1,561	23	23
	Above Moderate	1,652	2,142	2,241	2,342	2,443	36	36
	Total	4,588	5,950	6,226	6,506	6,787	100	100
Grover City	Very Low	1,319	1,104	1,122	1,139	1,157	35	27
	Other Lower	565	613	623	633	643	15	15
	Moderate	904	818	831	844	857	24	20
	Above Moderate	980	1,554	1,578	1,604	1,629	26	38
	Total	3,768	4,089	4,154	4,220	4,286	100	100
Morro Bay	Very Low	1,556	1,409	1,423	1,438	1,452	36	31
	Other Lower	562	682	689	696	703	13	15
	Moderate	951	909	918	927	937	22	20
	Above Moderate	1,253	1,546	1,561	1,577	1,592	29	34
	Total	4,322	4,546	4,591	4,638	4,684	100	100
Pismo Beach	Very Low	947	946	964	981	999	33	30
	Other Lower	402	473	482	491	500	14	15
	Moderate	717	631	642	654	666	25	20
	Above Moderate	803	1,104	1,124	1,145	1,165	28	35
	Total	2,869	3,154	3,212	3,271	3,330	100	100

SAN LUIS OBISPO COUNTY

Estimated Households on January 1, 1984 by Income Group
and

Projected Households on July 1, 1989 through July 1, 1992 with Income Group Allocations

Area	Income Group	Households					Percentages	
		1984	1989	1990	1991	1992	1984	1989- 1992
San Luis Obispo City	Very Low	4,912	4,680	4,750	4,821	4,893	34	30
	Other Lower	2,023	2,340	2,375	2,411	2,446	14	15
	Moderate	2,600	3,120	3,167	3,214	3,262	18	20
	Above Moderate	4,912	5,460	5,541	5,625	5,708	34	35
	Total	14,447	15,600	15,833	16,071	16,309	100	100
San Luis Obispo Unincorporated	Very Low	4,956	7,214	7,479	7,750	8,021	21	25
	Other Lower	4,484	4,328	4,488	4,650	4,812	19	15
	Moderate	4,012	5,771	5,983	6,200	6,417	17	20
	Above Moderate	10,149	11,542	11,967	12,400	12,833	43	40
	Total	23,601	28,855	29,917	31,000	32,083	100	100
COUNTY TOTAL	Very Low	17,487	20,210	20,748	21,294	21,843	27	27
	Other Lower	9,856	11,125	11,427	11,733	12,039	15	15
	Moderate	12,720	15,170	15,586	16,010	16,436	20	20
	Above Moderate	24,807	28,455	29,239	30,043	30,842	38	38
	Total	64,870	74,960	77,000	79,080	81,160	100	100

G. FUTURE HOUSING RESOURCES

In attempting to forecast future housing resources, this analysis focuses on a five-year period, with the understanding that regular updating and refinement of its accuracy will be vital to its usefulness over time. Housing needs and available land have been included, as well as acknowledgment of known problems that may make satisfying a particular need difficult.

Projected Housing Demand

If housing needs in the unincorporated areas of the county are to be satisfied during the next five years, a fairly high level of building activity and manufactured housing placement should be maintained. Ongoing housing needs will be created by continuing normal migration into the county, new family formation and potential major development projects. These major public and private projects within or adjacent to the county such as Outer Continental Shelf oil development, the MX and Space Shuttle programs at Vandenberg Air Force Base and the continuing (though remote) possibility of a liquified natural gas terminal being located in or near the county can require substantial numbers of employees, many from outside the county. Such projects can be short- or long- term, and can have significant effects on the housing market unless a coordinated program is developed by project planners and local government agencies before the projects are completed.

The following table indicates that a total of 6,372 new housing units will be needed in the unincorporated areas of the county between 1984 and 1989 to meet projected demand. The construction needs were developed by the State Department of Housing and Community Development for the San Luis Obispo Area Coordinating Council. This assumes that continuing high housing costs and the increase in vacancies will offset each other to keep the population per household at about 2.5 people. If building activity continues close to the rate of the past five years, new construction cannot keep pace with projected needs. However, if the trend of increasing construction activity during 1984 and 1985 continues, projected needs could be met.

TOTAL HOUSING DEMAND
1984-1992

<u>Area</u>	<u>1984-1989</u>	<u>1984-1990</u>	<u>1984-1991</u>	<u>1984-1992</u>
Arroyo Grande	466	586	709	831
Atascadero	1,086	1,311	1,539	1,769
El Paso de Robles	1,552	1,858	2,169	2,481
Grover City	385	466	549	631
Morro Bay	258	324	393	461
Pismo Beach	329	406	484	563
San Luis Obispo	1,368	1,630	1,898	2,166
Unincorporated	6,372	7,690	9,035	10,382

Average Number of Units Needed

Per Year to Satisfy Unincorporated Demand 1,298

Land for Future Housing Development

Probably the most obvious prerequisite for new housing units is vacant land to place them on. In many California cities, building sites have become the most difficult resource to provide. In San Luis Obispo County, however, the supply of building sites is not a problem in the unincorporated communities.

Recent changes in the Land Use Ordinance have made it possible to use most of the residential lots in each community for mobilehomes that meet certain standards. This provides one more alternative for those wishing to provide housing on existing residential lots.

A Preliminary Build-Out Capacity Study was conducted in 1982 to determine the growth potential of unincorporated communities in the county by land use category. Vacant parcels were identified through a review of County Assessor's data concerning property improvement values for the 1981 tax year, so April, 1981 served as the effective date for the data. Field inspections were conducted to adjust the data. As the Land Use Element Area Plans are updated, the information in the table shown below will also be updated.

LAND FOR FUTURE HOUSING*
(expressed in potential new housing units)

Community	RMF	RSF	RS	Total
Avila Beach	72	5	33	110
Cambria	701	5,983	95	6,779
Cayucos	134	839	0	973
Nipomo	619	492	634	1,745
Oceano	237	128	0	365
San Miguel	365	160	170	695
Santa Margarita	0	103	16	119
South Bay	1,813	2,670	444	4,927
Templeton	235	904	523	1,662
Total	4,176	11,284	1,915	17,375

* This table excludes rural areas and land use categories other than Residential Multi-Family (RMF), Residential Single Family (RSF), and Residential Suburban (RS), so estimates of potential new housing units shown here may be considered conservative.

This table demonstrates that there are adequate vacant sites within each of the unincorporated communities to provide an appropriate mix of new housing units to meet projected demand by all economic groups. Additionally, the table shows that there is more than enough vacant residential land to accommodate the total new housing construction needs of the unincorporated county through the year 1991:

	(Housing Units)
April 1981 build-out capacity	17,375
Units built through 1984	-1,197
Capacity remaining	16,178
Projected need	-10,382
Excess capacity	5,796

Although the maximum number of units cannot be reached in the foreseeable future because of resource constraints (most notably limited water and sewage disposal capacities), there are clearly more than adequate areas of vacant land available for residential construction. As can be seen, there are no unincorporated communities where availability of housing sites will be a problem before 1990; however, various programs in Chapter 4 will need to be effectively implemented to assure that sufficient sites are affordable and not restricted by other service shortages. For example, the communities of Avila Beach, Cambria and Cayucos are faced with water supply problems that limit growth. Sewage disposal capacity has limited development in Nipomo, but the construction of a community sewer has resolved this constraint. Some type of sewage facility is also necessary for South Bay, since it has been found that the existing on-site septic systems are

degrading the groundwater. The State has mandated that a sewer be constructed in South Bay by 1988. Full implementation of the County Resource Management System (Program E4) will enable the county to anticipate such resource problems and take corrective action to avoid the approaching growth limits.

Constraints on New Housing

This section on future housing resources has discussed the main physical components of housing: the buildings themselves and land. Other constraints to providing an adequate supply of housing are discussed in Chapter 2 and include availability of services, money, social constraints and governmental regulations.

In San Luis Obispo County the latter constraints are the most important. Most of the efforts that result from this housing plan will be aimed at reducing the impact of such constraints so that sound, affordable housing can be provided in the communities of this county.

CHAPTER 4

HOUSING OBJECTIVES, POLICIES AND PROGRAMS

The single housing goal of San Luis Obispo County is to ensure the opportunity for a decent home in a satisfying environment for all county residents.

Housing OBJECTIVES are specific results the county wishes to accomplish, which all work toward achieving the goal.

Housing POLICIES are the county's position on issues that help address the housing objectives.

The PROGRAMS are how the county proposes to achieve the housing objectives.

CHAPTER 4

A. INTRODUCTION

San Luis Obispo County sets a high priority on satisfying the housing needs of its residents. Housing problems are not unique to this county and some are created by national and international decisions. While local action may have little impact on national affairs, many housing problems can be alleviated locally. This chapter describes the detailed objectives of this Housing Element and the official policies of San Luis Obispo County on housing. Also described are programs (specific actions intended to solve or alleviate particular housing problems) that can be initiated by local action, though state and federal funds may be used.

The housing programs recommended in this plan were formulated on the basis of the following factors: 1) the potential of the program to reach current county residents who most need it; 2) the relative cost to begin and continue the program; 3) the ability of the program to operate without adversely affecting other aspects of the housing market; and 4) the extent to which the program avoids long-term negative impacts. The scale and resulting cost of each program must be decided based upon the funds and other resources available at the time each program is initiated. Some of the programs will also require enactment of specific laws and formal public hearings by the county before they can be implemented.

The programs are intended to provide direction and a course of future action for involved county departments and other agencies. The Housing Element is not intended to mandate the commencement of new programs or the expansion of existing ones that may require additional staff or funds. Any programs identified in this chapter that would require additional funding by the county or other agency must have such funds approved through the appropriate budgetary process as fiscal resources permit and must also be authorized by implementing ordinances where necessary.

Consumer input is also important in designing and operating housing programs. Although balanced citizen input is often elusive, it is always beneficial in programs that directly affect people. Different types of programs require different methods of input. Although citizen advisory committees are a common vehicle for citizen participation, such committees are expensive to operate and are not necessarily the most effective means of participation. Citizen participation is so important that the county will seek the most effective methods that resources allow.

If the following programs fail to produce expected results by the time the Housing Element is formally reviewed, the county will consider new programs and possible modifications to existing programs.

The programs are organized under the objectives of the Housing Element, each of which is oriented toward particular problems.

- . Availability of housing for all
- . Home ownership opportunities
- . Ensuring an adequate supply of rental housing
- . Maintaining existing housing
- . Housing near employment and services

Each section has one objective stating what the county expects to accomplish. The objective is followed by several policies on the various aspects of the issue and programs designed to implement the objective. While reviewing these objectives, policies and programs, it is important to remember that they are organized by topic and their order doesn't imply any priority.

B. COUNTY HOUSING POLICIES AND PROGRAMS

OBJECTIVE A: The county will work diligently toward the provision of an adequate housing supply for all residents and that such supply be unrestricted as to age, race, sex, marital status, ethnic background, other arbitrary factors, unnecessary government controls, requirements or restrictions, or economic constraints.

The most important purpose of the Housing Element is to provide a policy guide for working toward solution of local housing problems. To that end, this first objective has two components: an adequate supply of all types of housing; and elimination of social and economic barriers to satisfying housing needs. Although state and federal laws restrict housing discrimination, there is still concern that some may have difficulty finding housing because of discrimination. The county and other local agencies can have a positive influence on such problems, and Housing Element programs that increase the availability of housing or reduce its cost tend to also reduce discrimination. As vacancy rates increase, owners or managers usually become less concerned about to whom they rent or sell.

HOUSING SUPPLY POLICIES

1. Fair Share Allocations. Through the San Luis Obispo County Area Coordinating Council, the county will work with each community toward equitable regional distribution of housing for all income groups.

2. Land Use Controls. Land use controls should not to be used to seriously delay, prevent or otherwise adversely affect the supply or cost of housing for all income levels, except where legal or resource limitations occur in each community.
3. Assisted Housing - Disadvantaged Groups. Assisted housing should include special provisions for the elderly, handicapped and disabled in communities where such groups are unable to meet their housing needs.
4. General Plan Amendments - Effect on Housing. Consideration of all general plan amendments will include careful evaluation of their potential impacts on an adequate supply of housing for all income groups.
5. Development Requirements - Reevaluation. Existing and proposed county development requirements, ordinances and processing times should be evaluated to determine their effects on housing production costs, and should be modified or eliminated when such requirements are determined to substantially increase cost and their modification or elimination would not seriously jeopardize public health, safety or welfare.
6. Assistance Requests. Available federal, state and local sources of funding that could assist in providing and preserving housing for low- and moderate-income households should be pursued.
7. Alternative Forms of Housing. The county should encourage exploration of alternatives to traditional forms of housing and methods of supplying housing, especially by the private sector.
8. Development Review - Ongoing Costs. Energy saving construction, transportation costs, maintenance and other factors contributing to total monthly housing costs should be reviewed in all housing projects.
9. Assisted Housing - Resale Control. Any housing made available at artificially low prices through direct government assistance will be restricted in resale to eliminate excessive price increases above improvement costs and inflation.
10. Home Improvement Encouragement. The county should encourage upward mobility through individual home owner efforts to increase property value through home improvements.

11. Equal Opportunity. The county will support efforts to eliminate discrimination in housing with regard to race, color, religion, national origin, sex, age, or family status.
12. Resolving Conflicts - Landlords and Tenants. The county will support resolution of problems and conflicts between landlords and tenants.
13. Developer Assistance. To facilitate development of new low- and moderate-income housing, the county will offer technical, permit processing and grant application assistance to developers or sponsors who wish to provide such housing.

HOUSING SUPPLY PROGRAMS

Accessibility of housing

A1: THE COUNTY WILL ENCOURAGE DESIGNERS AND BUILDERS TO USE 30-INCH OR WIDER DOORWAYS IN ALL HOUSING.

The most serious barrier to housing for the handicapped (other than money) is the physical design of buildings. Local and state representatives of the handicapped have noted that barriers such as stairs and floor level changes are reasonably easy to adapt to their needs. More difficult to overcome without expensive remodeling are doorways less than 30 inches wide.

Because narrow doorways are most often specified from habit rather than as an intentional effort to save money, the county will encourage designers and builders to use 30-inch or wider doorways in all housing. Simple explanation of the problem to designers and builders could have a significant impact on making housing accessible to the handicapped.

A2: THE COUNTY WILL DESIGNATE ITS HOUSING AUTHORITY OR OTHER APPROPRIATE LOCAL AGENCY OR GROUP TO HANDLE DISCRIMINATION COMPLAINTS AND RESOLUTION OF PROBLEMS AND CONFLICTS BETWEEN LANDLORDS AND TENANTS.

Federal and state laws prohibit landlords from discriminating against homeseekers because of race, religion, national origin, ancestry, sex, or marital status. Various agencies and groups in the county receive housing complaints; such duplication reduces program effectiveness and creates confusion for residents.

In most instances where landlord/tenant conflicts arise, the parties would like to solve their problems without going to the trouble and expense of using the court system. This program will provide mediation boards or individual mediators who can be successful in resolving disputes when the landlord and tenant are willing to participate.

Consumer education

A3: THE COUNTY WILL DESIGNATE ITS HOUSING AUTHORITY OR OTHER APPROPRIATE AGENCY TO ORGANIZE PUBLIC EDUCATION ON HOUSING.

Many local housing problems could be alleviated by greater public awareness. Few consumers or public officials are aware of the full range of options available in housing. To make matters worse, there is no single source of housing information from which individuals can learn about options that meet their needs. Assistance might include individual consultation; classes offered through adult education, Cal Poly or Cuesta College; presentations at clubs and organizations; and regular press releases to local media. Local lending institutions, the construction industry and other housing-related professions could assist in this program.

Education on advantages of alternate building techniques

A4: THE COUNTY WILL ESTABLISH A PROGRAM TO INFORM GOVERNMENT EMPLOYEES, LENDING INSTITUTIONS, CONTRACTORS AND OTHERS WHO INFLUENCE HOUSING CONSTRUCTION OF THE VALUE OF INNOVATION IN HOUSING CONSTRUCTION TECHNIQUES.

Private and governmental organizations are generally reluctant to accept new techniques in construction, financing or other aspects of housing. It is often considered less risky to continue doing things in a familiar way. This reluctance can hinder creativity and innovation. The education program would likely include workshops, employee training sessions, news releases and interoffice circulation of information. The goal in this type of program is simply to keep communication between these people open so they all may keep current on housing techniques.

Provision of energy-efficient housing

A5: THE COUNTY WILL URGE STATE AND FEDERAL GOVERNMENT TO CONTINUE TAX INCENTIVE PROGRAMS TO ENCOURAGE MORE ENERGY-EFFICIENT HOUSING.

A6: THE COUNTY WILL DEVELOP AN ENERGY POLICY PLAN TO ADDRESS LOCAL ENERGY ISSUES.

The long-term costs of energy waste in housing and transportation is becoming rapidly more apparent. Even those who can afford to pay higher energy costs will have problems with availability as resources become less dependable. Encouraging energy efficiency in housing design without seriously increasing cost is the aim of existing state and federal tax incentive programs. A county energy plan should not only examine the energy needs of housing, it should also study energy options available and proposals for the conservation and use of these resources.

Reduction of development requirements and processing time

A7: THE COUNTY PLANNING AND ENGINEERING DEPARTMENTS WILL CONTINUALLY MONITOR ADOPTED AND PROPOSED DEVELOPMENT REQUIREMENTS AND PROCESSING PROCEDURES TO DETERMINE THEIR EFFECT ON HOUSING PRODUCTION COSTS AND WILL RECOMMEND MODIFICATION OR ELIMINATION OF THOSE THAT MAY ADD TO HOUSING COST WITHOUT PROVIDING SUBSTANTIAL PUBLIC BENEFIT.

A8: THE COUNTY WILL URGE THE STATE AND FEDERAL GOVERNMENT TO AVOID ENACTING LAWS AND REGULATIONS THAT RESULT IN INCREASED HOUSING COSTS.

On-site and off-site improvements required by government agencies in return for allowing a proposed project can substantially increase the cost of housing. While in most cases such improvements are essential for the operation of housing or to satisfy basic needs for a decent living environment, such requirements should be reviewed for their cost-effectiveness, and new methods of financing improvements should also be developed to assure that costs are shared by existing and new residents who will benefit from them.

When staff determines that a proposed new or changed policy, rule or ordinance will have an adverse effect on housing costs, but is necessary for other reasons, they will present the proposal to the Board of Supervisors. Before the proposed change can be put into effect, the Board of Supervisors must make a finding that the benefits of the proposal outweigh the adverse effects on housing costs.

Annual review of the Housing Element will include an analysis of government-imposed restrictions and requirements on new housing construction, with the purpose of reducing the extra costs resulting from such actions.

Smaller mobilehome parks and subdivisions

A9: THE COUNTY HAS CHANGED ITS ORDINANCES TO ALLOW INDIVIDUAL MOBILEHOMES, MOBILEHOME PARKS AND SUBDIVISIONS ON SMALLER PARCELS WITHIN URBAN AREAS, AND ALSO TO ALLOW INDIVIDUAL MOBILEHOMES IN RURAL AREAS ON PARCELS OF LESS THAN 10 ACRES.

There is a need for more mobilehome space in the county. However, the county will discourage detrimental concentrations of mobilehome parks and mobilehome subdivisions in the same neighborhood or portion of a community.

Development processing

A10: THE COUNTY HAS ESTABLISHED A PERMIT PROCESSING ADVISORY COMMITTEE THAT WILL CONTINUE TO REVIEW THE PRINCIPAL CAUSES OF INCREASED HOUSING COSTS (ESPECIALLY THOSE WHERE LOCAL ACTION CAN BE EFFECTIVE) AND DEVELOP AND RECOMMEND TO THE BOARD OF SUPERVISORS CHANGES IN REGULATIONS AND RESTRICTIONS, INCENTIVES TO PRIVATE DEVELOPMENT AND OTHER SOLUTIONS.

A11: THE COUNTY HAS ESTABLISHED AN ADVISORY HOUSING TASK FORCE TO STUDY HOUSING PROBLEMS IN THE COUNTY AND RECOMMEND TO THE BOARD OF SUPERVISORS POTENTIAL SOLUTIONS TO THE PROBLEMS IDENTIFIED.

OBJECTIVE B: Take all practical, reasonable, affordable and appropriate steps to develop home ownership opportunities for all county residents.

Home ownership offers a degree of security not available to renters, since the owner is generally free from arbitrary eviction and may change the building to meet family needs. Probably as important as the actual security of ownership is a sense of pride. While ownership is not affordable for many, it may still be cheaper than home rental on a long-term basis because of equity advantages. The equity in a house can exceed the actual cost, assuming reasonable terms on a sound house and a strong resale market. Because such advantages do not become "usable" until a house is sold, however, many families still cannot afford to own their homes.

Although the detached, single-family residence is the most common dwelling type under individual ownership, there are other kinds of ownership housing that can be more attractive to the individual as well as the county. Besides being generally less expensive; mobilehomes on individual lots, condominiums and cooperative apartments can be more efficient users of land, roads and other public services.

OWNERSHIP OPPORTUNITY POLICIES

County housing policies that address opportunities for home ownership are included under Objective A.

OWNERSHIP OPPORTUNITY PROGRAMS

Encouragement of cooperative housing

B1: THE COUNTY MAY ASSIST LIMITED EQUITY COOPERATIVE HOUSING BY ENCOURAGING LENDERS AND AGENCIES THAT MAY HELP ESTABLISH COOPERATIVES.

Cooperative housing has several advantages that warrant encouragement by the county. Although there are several methods of setting up a cooperative, such projects typically have a single mortgage and each resident buys stock in the corporation established to own the project. Each occupant's monthly payment is based on the the mortgage and other costs of running the building. The resale of each occupant's stock can be restricted to eliminate speculative increases in cost. Although this limits the investment value associated with home ownership, it offers security not available to renters at a cost much less than home ownership.

Density Bonus

B2: THE COUNTY WILL GRANT A DENSITY BONUS OR OTHER APPROPRIATE INCENTIVES AS SPECIFIED IN GOVERNMENT CODE 65915, AND IMPLEMENTED BY SECTION 22.04.090 OF THE COUNTY CODE TO DEVELOPERS WHO CONSTRUCT UNITS FOR HOUSEHOLDS OF LOW OR MODERATE INCOME.

The county will support the continued affordability of low-and moderate-income housing produced under density bonus provisions by imposing deed restrictions or other appropriate methods.

Owner-built housing

B3: WHERE APPROPRIATE, THE COUNTY WILL SUPPORT THE OBJECTIVES OF ORGANIZATIONS THAT PROVIDE LOWER-COST OWNERSHIP HOUSING. SUCH SUPPORT MAY INCLUDE OBTAINING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR LAND ACQUISITION OR HOUSING IMPROVEMENT PROJECTS.

B4: THE COUNTY WILL CONTINUE TO ENCOURAGE OWNER-BUILT HOUSING BY PROVIDING STANDARD BUILDING CONSTRUCTION DETAIL DRAWINGS AND OTHER AIDS AS WELL AS PROVIDING A SUFFICIENT NUMBER OF BUILDING INSPECTORS SO THAT APPROPRIATE AND REASONABLE EXTRA TIME MAY BE SPENT WITH THE OWNER-BUILDER AT THE HOUSING SITE.

People's Self-Help Housing Corporation is a nonprofit organization presently operating in San Luis Obispo and northern Santa Barbara counties. It assists eligible working families in building their homes at significant savings, with only small government subsidies. Families also gain the ability to maintain their residence. Many techniques are used by the corporation to realize savings, including subdividing its own land and bulk buying of materials; however, the largest saving is through the lack of profit and the owners providing their own labor in construction. Reduced interest mortgages through Farmers Home Administration, combined with smaller loans, create affordable monthly payments for most working families.

Similar groups that use conventional financing and are open to all communities and income groups also deserve county assistance and encouragement. Use of pooled labor and a professional group supervisor save such home builders money and time as well as assuring lending institutions the project will be completed and of acceptable quality.

Approximately half the residential inspections made each year by county building inspectors are for houses where the owner is actually building the unit or is acting as the contractor.

Reduced interest mortgage loans

B5: THE COUNTY WILL CONSIDER PARTICIPATION IN A LOCAL REVENUE BOND ISSUE TO ESTABLISH A LOW INTEREST MORTGAGE LOAN FUND FOR FIRST-TIME HOME BUYERS.

Under certain conditions, the county is allowed to sell tax exempt bonds to finance housing. As a result of their tax exempt status, bond proceeds could be loaned to home buyers at a lower rate than available in the open market.

OBJECTIVE C: Take all practical, reasonable, affordable and appropriate steps to encourage an adequate supply of sound rental housing in all price ranges.

Many people will not be able to buy houses even with assistance programs. Others do not wish to own a home because of personal preference or the short-term nature of their stay in one place.

For such people it is important to keep a reasonable number of rental units available. This need varies by community, but generally is greater near employment centers and where services are readily available.

RENTAL SUPPLY POLICY

The county recognizes the need for rental housing and will support programs to work toward an equitable balance of rental and owner-occupied housing.

RENTAL SUPPLY PROGRAMS

Housing Authority

C1: SAN LUIS OBISPO COUNTY WILL WORK WITH EXISTING HOUSING AUTHORITIES TO OFFER A WIDER RANGE OF ASSISTANCE TO DEVELOPERS, OWNERS AND CLIENTS OF LOWER-INCOME RENTAL HOUSING.

The county will continue to provide rental housing assistance and other related programs through its joint powers agreement with the City of San Luis Obispo Housing Authority. At present, rental assistance is provided to lower income families, the handicapped and mobilehome owners. Through such an arrangement, assistance could also be provided to developers and property owners who wish to utilize state and federal funds for lower-income rental projects. The specific scope, authority, activities, services, programs and funding of any future agreements would be included in the various joint powers agreements approved by the Board of Supervisors.

Increase in density in multi-family areas

C2: TO ENCOURAGE CONSTRUCTION OF NEW RENTAL UNITS, THE COUNTY WILL WORK TOWARD REDUCING GOVERNMENTAL DETERRENTS TO MULTI-FAMILY PROJECTS.

The private market is the primary supplier of rental housing. Due to recent changes in mortgage and building costs, new construction of rental units has been extremely slow. Some controls are necessary and must be continued to protect public health and welfare as well as to reduce long-term public costs. A general increase in density in multi-family districts could be accommodated without sacrificing quality; the increase could help private projects become more profitable and encourage new construction.

Increased student housing on Cal Poly Campus

C3: THE COUNTY WILL ENCOURAGE CAL POLY TO PROVIDE ADDITIONAL CAMPUS HOUSING OPPORTUNITIES FOR SINGLE AND MARRIED STUDENTS.

The county recognizes the need for housing students from Cal Poly and Cuesta College. Cuesta College is not a residential campus and Cal Poly is without sufficient on-campus housing to accommodate students who would choose to live on campus. There is also no opportunity for married students on campus. Additional facilities are needed, and alternative forms of housing should be explored. Mobilehome developments or recreational vehicle spaces may be considered because their lower initial capital requirements (much less than for apartments or dormitories) would enable spaces to be provided at a reasonable price and would not tie-up property with a permanent land use.

Second units in single family neighborhoods

C4: THE COUNTY WILL MONITOR THE EFFECTS OF THE SECONDARY DWELLING PROVISIONS ESTABLISHED IN SECTION 22.08.036 OF THE COUNTY CODE IN 1984, AND WILL DEVELOP A PUBLIC INFORMATION HANDOUT TO PUBLICIZE THE OPPORTUNITY TO ESTABLISH SECONDARY DWELLINGS.

Some neighborhoods would not experience problems if property owners were allowed to add a second residence to their property for use by senior citizens. Because the average population per household has gone down to 2.50 from 2.99 in 1970, the existing population density in certain neighborhoods is lower than anticipated.

OBJECTIVE D: To encourage and promote, to the degree feasible and practical, the preservation and rehabilitation of the existing housing supply.

Because new construction increases housing supplies by only three to four percent annually, special efforts are needed to assure that existing housing remains in good condition. Housing for lower and fixed-income individuals is often most in danger of becoming uninhabitable. Although most aid programs are aimed at low- and moderate-income housing, the entire community would benefit from maintaining neighborhoods in sound condition.

Continued maintenance of a home is the least costly way of assuring a long building life. Even the lowest income family can accomplish much useful maintenance if they are aware of the techniques. Minor rehabilitation such as roofing repair, complete painting or glass replacement may create financial hardships, but such efforts are

necessary to stop rapid deterioration of a structure. More extensive rehabilitation (such as structural work, insulating or plumbing replacement) is even more expensive, but still costs less than replacing the house.

POLICY FOR MAINTAINING EXISTING HOUSING

Incentives for Improvement. Incentives and assistance should be provided by the appropriate agency or private group to support upgrading rental units and homes to building code standards.

PROGRAMS FOR MAINTAINING EXISTING HOUSING

Consumer Education

Educating people about the range of options and techniques available for maintaining and upgrading their homes is an important means of supporting maximum use of existing housing. Program A3 addresses this issue.

Conversion of Housing to Other Uses

D1: THE COUNTY WILL DISCOURAGE CONVERSION OF RESIDENTIAL AREAS TO NON-RESIDENTIAL USES.

When a housing unit is changed to some non-residential use its effect on the housing situation is the same as if the building was demolished. The county will review all proposed Land Use Element amendments that involve expansion of Office & Professional or Commercial land use categories into established residential areas to avoid undesirable conversion of valuable low- and moderate-income housing units to non-residential use.

Grants and low-interest loans for housing maintenance

D2: THE COUNTY WILL ENCOURAGE THE HOUSING AUTHORITY, OTHER LOCAL AGENCIES AND NONPROFIT GROUPS TO APPLY FOR HOUSING MAINTENANCE AND REHABILITATION GRANTS.

Grants and low interest loans are available for self-help rehabilitation of residences in most areas of the county. A program is currently funded by Farmers Home Administration; application services are available through People's Self-Help Housing Corporation and other individual parties. People's Self-Help Housing Corporation also administers Community Development Block Grant funds for housing rehabilitation in selected areas.

Housing advisory service

D3: THE COUNTY WILL SUPPORT ESTABLISHMENT OF A HOUSING ADVISORY AND INFORMATION SERVICE IN CONJUNCTION WITH ONE OF THE PUBLIC SERVICE OR NONPROFIT GROUPS IN THE COUNTY.

This service could consist of one person acting as an information source for people with housing-related questions. Besides providing information on the most effective sources of assistance, the service should have a person who understands how to counsel people on their housing needs.

The housing advisory service should help bring together those with special housing maintenance needs (such as the elderly and the handicapped) and various service groups willing to participate in projects lasting one or two weekends. Real estate groups, fraternal organizations and other groups have often donated time and materials to paint a deteriorating home. The effectiveness of such community action should not be underestimated.

Relocation of displaced families

D4: WHEREVER POSSIBLE THE COUNTY WILL AVOID CAPITAL IMPROVEMENT PROJECTS THAT ELIMINATE DWELLINGS AND REQUIRE RELOCATING RESIDENTS.

D5: IN COUNTY PROJECTS THAT MAKE RESIDENTIAL DISPLACEMENT UNAVOIDABLE, THE COUNTY WILL OFFER RELOCATION SERVICES BEFORE DISPLACING RESIDENTS.

D6: IN CASES WHERE RESIDENTIAL RELOCATION IS CAUSED BY BUILDING CODE ENFORCEMENT, THE COUNTY WILL OFFER RELOCATION COUNSELING THROUGH THE HOUSING AUTHORITY OR OTHER RESPONSIBLE AGENCY.

Tax abatement on substandard rental housing

D7: WHERE COMPLAINTS ARE RECEIVED ON THE CONDITION OF RENTALS, THE COUNTY WILL INSPECT THE UNITS AND, IF SIGNIFICANT OR PERSISTENT VIOLATIONS EXIST, WILL BEGIN TAX ABATEMENT PROCEDURES IN A TIMELY MANNER PURSUANT TO STATE REVENUE AND TAX CODE SECTIONS 17299 AND 24436.5.

This procedure allows a property owner reasonable time to correct code violations or lose all state tax credits for taxes, depreciation, amortization or interest.

OBJECTIVE E: To promote optimum use of residential land near employment, shopping, transportation, social services and other public services.

The location of housing is almost as important as the availability of housing. Many residents cannot afford to drive long distances to work or services. Even those who are physically and economically able to drive long distances should be able to live near their work if they choose. The availability of jobs and services should be considered in locating new housing and consideration should be given to the availability of housing when reviewing proposals for new facilities by major employers.

HOUSING LOCATION POLICIES

1. Development should be encouraged in new and existing subdivisions within the urban and village areas designated in the Land Use Element and contiguous extensions of these areas rather than scattered rural residential development. This is not intended to discourage development of existing lots in rural areas as homesites.
2. Capital improvement program priorities should be reviewed in relationship to adequate services for new housing.
3. General plan amendments and land use regulations should provide for greater residential densities near employment and public service areas.
4. Current community resources should be inventoried and the county should strive to ensure that adequate water, wastewater treatment and other services exist or are specifically scheduled to meet housing needs.
5. Major generators of housing need (such as Cal Poly and large employers) must accept responsibility for the needs they create and actively participate in providing housing. In turn, each community near such housing need generators must allow for additional housing.

HOUSING LOCATION PROGRAMS

Mixed uses on government and commercial property

- E1: THE ESTABLISHMENT OF HOUSING UNITS ABOVE THE FIRST FLOOR OF OFFICE AND COMMERCIAL BUILDINGS WILL BE ENCOURAGED IN LOWER INTENSITY COMMERCIAL AND OFFICE AREAS WITHIN THE UNINCORPORATED COMMUNITIES WHERE RESIDENTIAL AND COMMERCIAL USES ON A SITE CAN BE DESIGNED TO BE

COMPATIBLE WITH EACH OTHER. THIS WILL BE ENCOURAGED THROUGH PUBLIC INFORMATION PROGRAMS AND CONTINUING REFINEMENT OF LAND USE REGULATIONS.

The elderly in particular would benefit from such a program because of the nearness to services offered in most downtown areas. With proper design, such housing should be compatible with most government uses including offices, schools and parking. Reduced parking requirements should reflect the reduced automobile needs of tenants in town and the fact that off-hour parking is underused in downtown areas.

Reduction of urban sprawl

E2: THE COUNTY WILL USE LAND USE PLANNING, LIMITED DENSITY TRANSFER AND PLANNED DEVELOPMENT INCENTIVES TO ENCOURAGE IN-FILL AND INCREASED RESIDENTIAL DENSITIES IN EXISTING URBAN AREAS AND WILL AVOID CREATING ADDITIONAL SUBURBAN AND RURAL RESIDENTIAL AREAS OUTSIDE OF URBAN AND VILLAGE RESERVE LINES WHERE PUBLIC FACILITIES AND SERVICES CANNOT BE EFFICIENTLY AND ECONOMICALLY PROVIDED.

E3: IF THE AVAILABLE SUPPLY OF VACANT SINGLE-FAMILY OR MULTIPLE-FAMILY LAND FALLS BELOW 20 PERCENT OF THE COMMUNITY'S TOTAL SUPPLY OF EITHER LAND USE CATEGORY, THE COUNTY WILL CONSIDER AMENDING THE LAND USE ELEMENT TO DESIGNATE ADDITIONAL LAND FOR SUCH USE.

Density transfer is used to keep the total number of homes in a development at the same level while placing them on smaller lots to allow construction cost savings as well as providing open space. Infill building is using existing serviced lots before developing property on the fringes of the community. The use of smaller lots for single-family homes can reduce the cost of housing in several ways. Smaller size could provide larger numbers of parcels and allow developers to divide land costs among more homeowners. Smaller lots also create savings on roads, water lines and other improvements needed to serve the homes, even if the total number of sites is no greater than with larger lots.

A general increase in the density of communities will reduce pressures to subdivide and build in rural areas. That change will help keep housing more affordable in the communities where people will not have to travel so far for employment and services, and will help keep down the cost of government services.

Resource management system

E4: THE COUNTY RESOURCE MANAGEMENT SYSTEM WILL ENABLE NOTIFYING THE BOARD OF SUPERVISORS AS COMMUNITIES APPROACH LIMITS OF VARIOUS RESOURCES. ANY ACTION THE BOARD TAKES BASED ON THIS INFORMATION WILL INCLUDE CONSIDERATION OF IMPACTS ON HOUSING AVAILABILITY AND COST.

Because building moratoriums have such a negative impact on community housing and the county economy, they should be avoided. Since almost all moratoriums are caused by shortages of some essential resource, the county must systematically project needs and predict when shortages will occur. Resources may include water, sewage, schools or any other localized service essential for the community.

E5: THE COUNTY WILL REVIEW SURPLUS PUBLIC LANDS AT THE TIME OF SURPLUSING AND OTHER SOURCES OF LAND FOR THE FEASIBILITY OF PROVIDING AFFORDABLE HOUSING.

Some surplus government property could be used as sites for affordable housing if acquired inexpensively. Other possibilities include using grant funding or the proceeds from surplus land sales to create "land banking", "land write down", or other appropriate programs.

Efficient Land Use Patterns and Development Timing

E6: THE COUNTY MAY REQUIRE PREPARATION OF A SPECIFIC PLAN OR OTHER DETAILED NEIGHBORHOOD PLAN TO SHOW FUTURE STREET, LOT AND DRAINAGE SYSTEM LAYOUTS PRIOR TO APPROVAL OF A PROPOSED SUBDIVISION IN THE RESIDENTIAL SINGLE-FAMILY LAND USE CATEGORY THAT WOULD RESULT IN LARGE LOTS INTENDED FOR FURTHER DIVISION WHEN REQUIRED COMMUNITY SERVICES BECOME AVAILABLE.

E7: THE COUNTY WILL OVERSEE PREPARATION OF NEIGHBORHOOD PLANS FOR MAJOR UNINCORPORATED SINGLE-FAMILY AND MULTIPLE-FAMILY RESIDENTIAL AREAS WITHIN URBAN AND VILLAGE RESERVE LINES TO INSURE THAT INTERIM LOW-DENSITY LAND DIVISIONS WILL NOT PREVENT LATER DEVELOPMENT AT THE FULL DENSITIES PLANNED IN THE LAND USE ELEMENT.

Because an adequate housing supply depends on residential development occurring where urban services can be most readily provided, it is important that areas planned for housing be developed at the full density in the Land Use Element. The LUE shows single family residential areas only where adequate roads and other community facilities can be

provided, and those areas should be developed to their full potential. However, lower density development in advance of detailed neighborhood planning can result in houses and other improvements located where a future road or lot line should be, preventing later development to the planned density. Programs E6 and E7 will help assure proper attention to the future needs of a developing neighborhood by providing needed detailed planning.

C. IMPLEMENTATION OF THE COUNTY HOUSING PROGRAM

The programs of this general plan element reflect the intention of San Luis Obispo County to assist in relieving local housing problems. Carrying out these programs will require cooperation between county and city governments, various state and federal agencies, local groups, private business people, private industry and citizens throughout the county. While county government cannot require cooperation, it can encourage efforts to help solve existing problems and avoid creating new problems.

The county will prepare and adopt ordinances as indicated in the section on programs. The necessary steps will be taken to reorganize operations that unnecessarily increase housing problems. The county will also continue to monitor the housing situation and amend this plan whenever needed. Formal review and update of this plan will occur at least every five years.

The location of housing in the county is important for reducing housing problems. Elderly people need (and usually prefer) to be close to urban services. Younger people also need those services but also want to be closer to their jobs. Every effort will be made to ensure that each community is accessible to people who want to live there regardless of their social or economic condition. Some communities are limited in the number of residents their resources can supply; however, this should not be allowed to create a situation where lower income families cannot compete for housing in those communities.

D. STANDARDS FOR AFFORDABLE HOUSING LOCATION

Development standards contained in the Land Use Ordinance as well as Land Use Element planning area standards and land use designations (zoning) are the principal devices used to guide new development and influence its density, form and arrangement. To ensure the provision of adequate housing opportunities, a range of housing types, sizes and prices can be encouraged through site design standards in the Land Use Ordinance. The purpose of such standards is to support, through careful site evaluation and design, the establishment of land uses that are compatible with

existing land uses and neighborhoods, the natural environment, and the economic viability of the county; and promote the health, safety and welfare of county residents.

In addition, since a particular emphasis of the Housing Element is to improve housing opportunities for low- and moderate-income households, criteria are necessary to consider in selecting sites for expanding their housing opportunities. The following criteria are based on general principles that assume an ideal state. Their application should not be so rigid as to preclude low- and moderate-income residential development in an area that would suit the needs of a segment of this population. In evaluating the suitability of an individual site, every effort should be made to address those factors which make the site less than ideal. Finally, the expansion of housing opportunities for low- and moderate-income households cannot be assured without considering the accompanying trade-offs.

Criteria for Low- and Moderate-Income Housing Locations

The following criteria should be utilized in identifying suitable sites for new low- and moderate-income housing:

1. A site should be compatible with the area standards and land use designations contained in the Land Use Element. Adequate public facilities and services should be available to service the site.
2. A site should not be located where its residents would be subjected to high levels of environmental pollutants such as dust, smoke, odors or noise.
3. Natural hazards (e.g. soil instability, seismic faults) should be avoided, and important natural resources protected.
4. A site should not be located in an area already containing a high proportion of low- and moderate-income residents unless sufficient, comparable opportunities are being developed for housing low- and moderate-income families outside such areas.
5. A site should not be located in an area where the project will cause a predominance of low- and moderate-income residents in that area.
6. To further encourage the dispersion of lower income housing, a site should not be large; if possible, this housing should be dispersed throughout a project, with a limited proportion of the units in a multiple unit development designated for low- and moderate-income families.

7. A site should permit an orderly, esthetically pleasing arrangement of units whose design should be in harmony with adjacent residential development.
8. A site should be located where substandard dwellings or other undesirable elements do not predominate or where possibilities of future deterioration are minimal.
9. Public transportation or alternative transportation means should be within reasonable walking distance of a site. Educational, health, recreational and commercial facilities, as well as employment opportunities providing a range of jobs for lower income workers, should also be accessible to adequate public transportation or alternative transportation means.

Criteria for Elderly Housing Locations

Although many of the criteria for low- and moderate-income housing also apply to housing for the elderly, additional criteria are necessary to address the special needs of the elderly population. The following site criteria apply specifically to new elderly housing locations:

1. A site should be integrated into the community to facilitate voluntary contact with people of other age groups while allowing the opportunity for privacy and elderly-only contact when desired.
2. A site should be reasonably accessible to local commercial facilities (particularly grocery and drug stores, restaurants or cafeterias, and banks), human care and appropriate recreational facilities. The frequency of use should determine the reasonable distance of facilities.
3. A site and general area of the development should have relatively level grades in order to ensure adequate mobility.
4. Central and individual dining facilities, public transit stops and laundry and medical facilities should ideally be provided on a site.
5. A site should not be located where residents would be subjected to such nuisance factors as excessive noise.
6. Physical barriers on and around housing sites, such as poor lighting and dangerous street crossings, should be avoided. However, measures to protect the elderly from such barriers should not result in isolating them from interaction with the surrounding environment.

7. Indoor and outdoor safety features such as ramps, railings, and easy-to-reach fixtures should be used throughout a development.
8. Special supportive services should be made available, i.e., homemaker service, shopping assistance, meal delivery, emergency and long-term medical care and inexpensive or emergency home repair services.
9. A location should provide opportunities for the elderly to maintain friendships or create new ones as well as pursue self-fulfilling activities.

E. CONTINUED CITIZEN PARTICIPATION

Citizen participation has been and will continue to be an important facet of the county's planning effort. The identification of housing problems, issues and concerns as well as the element's problem-solving strategy were developed with the assistance of the Citizen's Advisory Committee on Housing, individual citizens, various county government departments, and several public and private sector providers of housing and related services. Throughout the Housing Element development and adoption process, input was received at citizen participation community meetings and a variety of housing task force, Planning Commission, Board of Supervisors and Council of Government housing study sessions and public hearings.

Citizen involvement will continue to be important as the Housing Element's policies and programs are implemented and as future policies and programs are developed during the annual review process and five-year update.

Citizen involvement may include, but will not be limited to: flyers; news releases to local media; legal notices published in local newspapers; notification of interested agencies and groups; community meetings, media interviews, panel discussions and workshops; and Planning Commission and Board of Supervisors study sessions and public hearings. The county will also strive to develop new and cost-effective ways of facilitating citizen involvement.

In addition, many Housing Element programs will require individual citizen participation efforts. For example, some programs may be funded through Community Development Block Grant funds and will require community meetings as well as public hearings. Other programs requiring individual citizen participation efforts include creation of a housing authority, establishment of an affordable housing task force, and preparation of community plans. In addition, any programs identified in the Housing Element that require additional county funding or funding by another agency will

involve public hearings and must have such funding approved through the appropriate budgetary process. Furthermore, these programs often will require implementing ordinances and public hearings.

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APPENDIX

APPENDIX A
HOUSING ELEMENT PROGRAM SUMMARY

The attached summary describes and clarifies housing programs proposed in Chapter 4 as well as programs currently serving unincorporated county residents. Chapter 4 identifies only those programs requiring future county action (coordination, expansion, implementation, funding, grant seeking, etc.). Therefore, existing housing programs outside county purview were not discussed (these programs are preceeded by N/A in the program number column).

In addition to describing housing programs, objectives and actions, the summary identifies existing and potential funding sources the agencies or groups capable of implementing these programs and the estimated annual number of households expected to benefit from each program between 1985 and 1990. Finally, pertinent program comments are provided for clarification where necessary.

These programs are organized under the following Housing Element objectives, each of which addresses a particular set of problems:

- . Housing Supply
- . Home Ownership
- . Rental Supply
- . Housing Preservation
- . Housing Location

SAN LUIS OBISPO COUNTY HOUSING ELEMENT PROGRAM SUMMARY

EXISTING PROGRAMS

NO.	PROGRAM	PROGRAM OBJECTIVE	PROGRAM ACTION(S)	FUNDING SOURCE	LEAD AGENCY(S)	EST. ANNUAL NO. OF HOUSEHOLDS BENEFITING 1985-1990	PROGRAM COMMENTS
<u>HOUSING SUPPLY</u>							
A5	Continue energy conservation tax incentives	Encourage energy efficient housing	Urge state and federal governments to continue existing programs	State and federal tax incentives	County Administrative Office	Unknown	Income tax credits for home or apartment owners
A9	Mobile homes, parks, and subdivisions on smaller parcels	Increase supply of affordable housing		No significant costs	County Planning Department	70-100	
A10	Affordable Housing Task-force	Reduce cost of and deterrents to housing	Identify local causes of high housing cost & develop solutions	County General Fund	County Administrative Office and Planning Department	Unknown	
<u>HOME OWNERSHIP</u>							
N/A	Self-help new construction	Reduce construction cost using self-help concept	Provide technical assistance and direct construction supervision	Farmers Home Administration (FmHA)	People's Self-Help Housing Corporation	70-100	Cost savings and mortgages for low/moderate income households
B2	Incentives for developers building affordable housing	Increase supply of affordable housing	Density bonus or other appropriate incentive (see Gov't Code 65915)	No direct increase in county cost	County Planning Department	Unknown	Voluntary agreement between developer and county

SAN LUIS OBISPO COUNTY HOUSING ELEMENT PROGRAM SUMMARY

EXISTING PROGRAMS

NO.	PROGRAM	PROGRAM OBJECTIVE	PROGRAM ACTION(S)	FUNDNG SOURCE	LEAD AGENCY(S)	EST. ANNUAL NO. OF HOUSEHOLDS BENEFITING 1985-1990	PROGRAM COMMENTS
B3	Support organizations involved in providing lower-cost housing	Increase amount of lower-cost housing	Apply for grants	HCD or other appropriate state and federal agency	County Planning Department	Unknown	
B4	Additional help for owner-builder	Reduce housing costs by promoting owner involvement	Provide standard drawings, technical assistance, and Building Inspectors	Building permit application fees	County Planning Department	100-200	Strengthen existing program
<u>RENTAL SUPPLY</u>							
C1	Section 8 rental assistance	Affordable housing for lower-income households	Disburse rent supplements	Department of Housing and Urban Development (HUD)	San Luis Obispo City Housing Authority	75-135	Increase scope of existing program. Eligible households rent privately owned, existing housing
C1	Aftercare housing	Affordable housing for lower income handicapped/disabled	Disburse rent supplement - Section 8 program	HUD/State Dept. of Housing and Community Development (HCD)	San Luis Obispo City Housing Authority	4-15	Increase scope of existing program. Eligible households rent privately-owned existing housing
C4	Second units in single family neighborhoods	Provide affordable housing for seniors, others	Study effects of amending Land Use Element/Land Use Ordinance. Develop criteria for additional units	County General Fund	County Planning Department	50	

SAN LUIS OBISPO COUNTY HOUSING ELEMENT PROGRAM SUMMARY

EXISTING PROGRAMS

NO.	PROGRAM	PROGRAM OBJECTIVE	PROGRAM ACTION(S)	FUNDNG SOURCE	LEAD AGENCY(S)	EST. ANNUAL NO. OF HOUSEHOLDS BENEFITING 1985-1990	PROGRAM COMMENTS
<u>HOUSING PRESERVATION</u>							
D1	Discourage conversion of residential areas to other uses	Preserve housing stock	Review all Land Use Elements amendments for conformity	No significant costs	County Planning Department	Unknown	Avoid expansion of Office & Professional and Commercial uses into residential areas
D2	Community Development Block Grant Program - Rehabilitation	Preserve Housing in lower-income communities	Apply for grants. Plan and coordinate program	HCD	County Planning Department	20	<u>Example:</u> Oceano Housing Preservation Program (includes rehab. and weatherization activities)
D2	Community Development Block Grant - Weatherization	Preserve housing and increase affordability by lowering energy costs	Apply for grants. Plan and coordinate program	HCD	County Planning Department	20	" "
D4	Avoid relocation of residents by public projects where possible	Preserve affordable housing and reduce problems associated with relocation	Capital improvement projects designed to reduce or eliminate relocation	Ongoing-no direct increase in county cost	County Planning Department	Unknown	Existing program. Required by state and federal law. Any household relocated by public project eligible for benefits
D5	Relocation services prior to displacement	Reduce relocation problems	Relocation counseling and assistance	State, federal or county project funds	County Engineering Department	Unknown	" "
D6	Counseling for displacement due to Building Code enforcement	Reduce or eliminate problems associated with displacement	Provide counseling when necessary	County general fund	Public Agency, or appropriate group	Unknown	Does not include monetary assistance

SAN LUIS OBISPO COUNTY HOUSING ELEMENT PROGRAM SUMMARY

EXISTING PROGRAMS

NO.	PROGRAM	PROGRAM OBJECTIVE	PROGRAM ACTION(S)	FUNDNG SOURCE	LEAD AGENCY(S)	EST. ANNUAL NO. OF HOUSEHOLDS BENEFITING 1985-1990	PROGRAM COMMENTS
D7	Tax abatement on substandard rental housing	Improve condition of substandard housing	Inspect substandard units on complaint basis. Begin tax abatement if units not improved	County general fund	County Planning Department	Unknown	Owners can ultimately lose all state tax credits, depreciation, amortization and interest allowances
N/A	Major housing rehabilitation	Preserve affordable housing	Rehabilitate low-income senior or handicapped owner-occupied housing	Farmer's Home Administration (FmHA)	People's Self-Help Housing Corporation	15	90% of recipients senior citizens (30% of whom are also handicapped)
N/A	Minor housing rehabilitation	Preserve affordable housing	Repair/maintain low-income senior, handicapped owner-occupied housing	State and federal grants. Areas Agency on Aging	People's Self-Help Housing Corporation	125-175	80% senior citizens 20% other households
N/A	Mutual self-help housing rehabilitation	Reduce rehabilitation cost by using self-help concept	Provide technical assistance and direct construction supervision	FmHA	People's Self-Help Housing Corporation	15	Groups of three households work together to rehab. each other's home
N/A	Low-income household weatherization	Increase housing affordability by lowering energy costs	Install insulation and weatherize low-income homes	State Office of Economic Opportunity	Economic Opportunity Commission	1,700	Primarily for low-income senior citizens or handicapped
N/A	Public utility conservation programs	Residential energy conservation	Home audits, low interest loans, counseling, presentations	Public utilities	Public utilities	Unknown	Pacific Gas & Electric, So. Cal. Gas Co.

SAN LUIS OBISPO COUNTY HOUSING ELEMENT PROGRAM SUMMARY

EXISTING PROGRAMS

NO.	PROGRAM	PROGRAM OBJECTIVE	PROGRAM ACTION(S)	FUNDNG SOURCE	LEAD AGENCY(S)	EST. ANNUAL NO. OF HOUSEHOLDS BENEFITING 1985-1990	PROGRAM COMMENTS
HOUSING LOCATION							
E2	Reduce urban sprawl	Avoid additional suburban and rural residential areas outside urban and village reserve lines	Develop incentives to encourage in-fill and increased densities	County general fund	County Planning Department	Unknown	Reduce infrastruc- ture costs through orderly development
E3	Increase available land for residen- tial development	Ensure adequate supply of vacant residential lots	Amend Land Use Element	County general fund	County Planning Department	Unknown	Expanded URL/VRL or change land use categories when necessary
E4	Resource Management System	Avoid moratoriums and associated problems	Project resource needs and predict severity	Planning Depart- ment operating budget	County Planning Department	Significant	Moratoriums restrict housing supply and should be avoided
E5	Surplus public land for afford- able housing	Increase supply of land for affordable housing	Review surplus public land and other sources of land or funding	County general fund/state and federal funds	County Plan- ning Department County Property Manager	Unknown	

SAN LUIS OBISPO COUNTY HOUSING ELEMENT PROGRAM SUMMARY

PROPOSED PROGRAMS

NO.	PROGRAM	PROGRAM OBJECTIVE	PROGRAM ACTION(S)	POTENTIAL FUNDING SOURCE	LEAD AGENCY(S)	EST. ANNUAL NO. OF HOUSEHOLDS BENEFITING 1985-1990	PROGRAM COMMENTS
<u>HOUSING SUPPLY</u>							
A1	30" or wider doorways in new housing	Remove barriers to the handicapped	Public education	No significant costs	County Planning Department	200-250	Most narrow doorways are oversights rather than intentional
A2	Agency to handle discrimination complaints and mediate landlord tenant disputes	Ensure housing opportunities for all homeseekers	Set-up mediation board. Provide counseling	Federal Revenue Sharing	County Housing Authority or other appropriate group	Unknown	Benefits landlords and tenants. Can eliminate need for costly court proceedings in some cases
A3	Public education on housing	Reduce housing problems by creating awareness of options	Create centralized source of housing information	Federal Revenue Sharing, General Fund, Private Grant	Public Agency, lenders, realtors builders, etc.	Unknown	Currently no single source of housing information exists
A4	Innovation in housing construction	Increase acceptance of new construction techniques	Workshops, press releases, etc.	HUD Grant, General Fund, Private Grant	Public Agency, lenders, realtors, builders, etc.	Unknown	Solve housing problems by innovation, creativity
A6	Energy policy plan	Efficient use and conservation of energy resources	Study energy needs options and recommend strategy	County General Fund	County Planning Department	Unknown	
A7	Reduce development requirements and processing times	Reduce the cost of housing	Modify or eliminate development and processing requirements that add unnecessary cost to housing	County General Fund	County Planning and Engineering Departments, Environmental Coordinator	Unknown	

SAN LUIS OBISPO COUNTY HOUSING ELEMENT PROGRAM SUMMARY

PROPOSED PROGRAMS

NO.	PROGRAM	PROGRAM OBJECTIVE	PROGRAM ACTION(S)	POTENTIAL FUNDING SOURCE	LEAD AGENCY(S)	EST. ANNUAL NO. OF HOUSEHOLDS BENEFITING 1985-1990	PROGRAM COMMENTS
A8	Reduce state & federal laws and regulations that increase housing costs	Reduce cost of housing	Urge state and federal gov't. to consider impacts of legislation	No significant costs	County Administrative Office	Unknown	
<u>HOME OWNERSHIP</u>							
B1	Limited equity cooperatives	Affordable housing for lower-income households	Streamline processing. Public education. Encouragement.	No significant costs	County Planning Department	Unknown	Housing stays affordable because cost not influenced by increasing mortgage and credit costs
B5	Create reduced interest mortgage loan fund	Homes for first time home buyers	County sells tax exempt bonds to finance housing	Revenue Bonds	County Planning Department	50-75	Bond proceeds lent to home buyers at less than prevailing market rate
<u>RENTAL SUPPLY</u>							
C1	Housing Authority	Expand services, increase efficiency	Coordinate	Grants	County Administrative Office	25-50	Increase number of rent supplements
C2	Reduce government deterrents to multi-family projects	Increase availability of rental units	Increase density of selected multi-family districts and other strategies	No significant costs	County Planning Department	Unknown	Encourage new construction by increasing profitability
C3	More Cal-Poly campus housing	Increase number of single and married student housing units	Encourage Cal-Poly to provide more student housing	No significant county cost	County Board of Supervisors	Unknown	

SAN LUIS OBISPO COUNTY HOUSING ELEMENT PROGRAM SUMMARY

PROPOSED PROGRAMS

NO.	PROGRAM	PROGRAM OBJECTIVE	PROGRAM ACTION(S)	POTENTIAL FUNDING SOURCE	LEAD AGENCY(S)	EST. ANNUAL NO. OF HOUSEHOLDS BENEFITING 1985-1990	PROGRAM COMMENTS
<u>HOUSING PRESERVATION</u>							
D3	Housing advisory and information service	Create centralized source of housing information and advice	Housing related information/housing ombudsman service	State, Federal or Private Grants	Existing public agency or non-profit group	Unknown	
<u>HOUSING LOCATIONS</u>							
E1	Housing above first floor of government and commercial buildings	Promote mixed use where appropriate	Public information program; refinement of land use regulations	State and Federal Grants	County Planning Department	Unknown	Voluntary, create incentives for private involvement
E6	Efficient residential land use	Ensure maximum allowable density; reduce potential of urban sprawl	Single family land divisions at less than maximum allowable density must conform to community plan	County General Fund	County Planning Department	Unknown	Reduce need for premature expansion of URL/VRL
E7	Preparation of neighborhood plans	Ensure that interim development is compatible with maximum densities planned in the Land Use Element	Oversee preparation of neighborhood plans for major unincorporated communities	County General Fund	County Planning Department	Unknown	

APPENDIX B
GLOSSARY

Affordable housing - Housing available to low- and moderate-income persons at a cost not greater than 30 percent of gross monthly household income.

Article 34 - Article 34 of the State Constitution requires local voter approval before a housing authority may develop, acquire or construct conventional low-rent housing.

Buildable land - Land upon which development is allowed.

Cluster development - Rather than spreading houses uniformly over an entire piece of land, the developer builds a higher densities in certain areas and preserves open space in others.

Consumer price index - Prepared monthly by the Federal Bureau of Labor Statistics, it is described as "a statistical measure of changes in prices of goods and services bought by urban wage earners and clerical workers." It measures the relative change in the average price of a group of 400 goods and services.

Density transfer - Cluster development is based on density transfer where overall density is the same as if lots are all one size but the lots in the developed area are smaller than normally allowed.

Equity - The interest or value an owner has in real estate over and above liens against it (e.g., mortgage, taxes, judgments, etc.).

Family - One person living alone or two or more persons related each to all others by blood, marriage or legal adoption, or a group of no more than five unrelated persons living in a single dwelling.

Gross rent - Contract rent plus the average monthly cost of utilities.

Household - The persons who occupy an individual housing unit. Thus, the total number of households is equal to the total number of occupied housing units.

Household head - The person regarded as head by household members.

Householder - The person in whose name the home was owned or rented.

Housing quality

Descriptive terms are defined as follows:

Sound units have no defects or have minor defects that could be corrected by normal maintenance.

Deteriorating units generally need more repair than can be accomplished by the owner and would create a financial burden for many families.

Dilapidated units have deteriorated to a level that threatens the safety of occupants and may cause loss of the building if not repaired soon.

Housing unit - A group of rooms or a single room usable as separate living quarters. A housing unit may be vacant, occupied by a family, family and unrelated persons living together, a group of unrelated persons living together, or by one person.

In-fill building - Development on vacant or underused sites in existing communities. Such communities are limited by the urban reserve or village reserve lines as shown in the county Land Use Element.

Low and Moderate Income - Income categories defined by the Department of Housing and Urban Development as follows, based on the total annual income for a four person family:

Very low income	0-50% of median income
Low income	50-80% of median income
Moderate income	80-120% of median income
High income	Above 120% of median income

Manufactured housing - Constructed off-site, typically in a factory. Includes mobilehomes, modular homes, component and unitized housing.

Median income, rent, sales price, etc. - That point in a range of figures above and below which exist an equal number of figures - the mid-point. For example: The county's median income figure, estimated by HUD to be \$24,000 in July 1984, means that 50 percent of the residents make more and 50 percent make less.

Moratorium - A suspension of building activity, usually due to a scarcity of resources.

Retaliatory eviction - eviction as direct retaliation for complaining about rental property conditions.

Section 8 - A federal grant subsidy program for lower-income families, which helps them afford decent housing in the private market.

Speculation - Investment in a commodity with the expectation of profiting from market fluctuations, generally within a short time.

Standard Metropolitan Statistical Area (SMSA) - An SMSA is a county or group of counties containing at least one city with a population of 50,000 or more plus adjacent counties that are metropolitan in character and are economically and socially integrated with the central city. San Luis Obispo County is not an SMSA.

Subdivision - The division of any improved or unimproved land for the purpose of sale, lease or financing.

Subsidized housing - Housing that is made affordable to low- and moderate-income persons with the aid of various public and private programs.

Substandard housing - Housing needing significant structural or electrical/plumbing system repairs. Such housing threatens the health and safety of its occupants.

Urban reserve line - Boundary between urban land uses and rural countryside. Defines primary area for urban growth during the 20-year horizon of the Land Use Element.

Village reserve line - Villages are areas in the rural countryside where homes are grouped in settlements of greater density than surrounding rural areas, but are not self-sufficient communities. The village reserve line establishes a boundary between the settlement (including the area within which new development is expected to occur within the term of the plan) and the surrounding countryside.

APPENDIX C
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